

January-March, 1955

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Vol. I, No. 1

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# THE INDIAN JOURNAL

OF

# PUBLIC ADMINISTRATION

(Official Organ of the Indian Institute of Public Administration)

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N. R. Pillai

Comparative Public Administration

Paul H. Appleby

Directive Principles of the Constitution

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The Forms and Directions of Public Enterprise

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Co-operation and Economic Development

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O & M in the Government of India

S. B. Bapat

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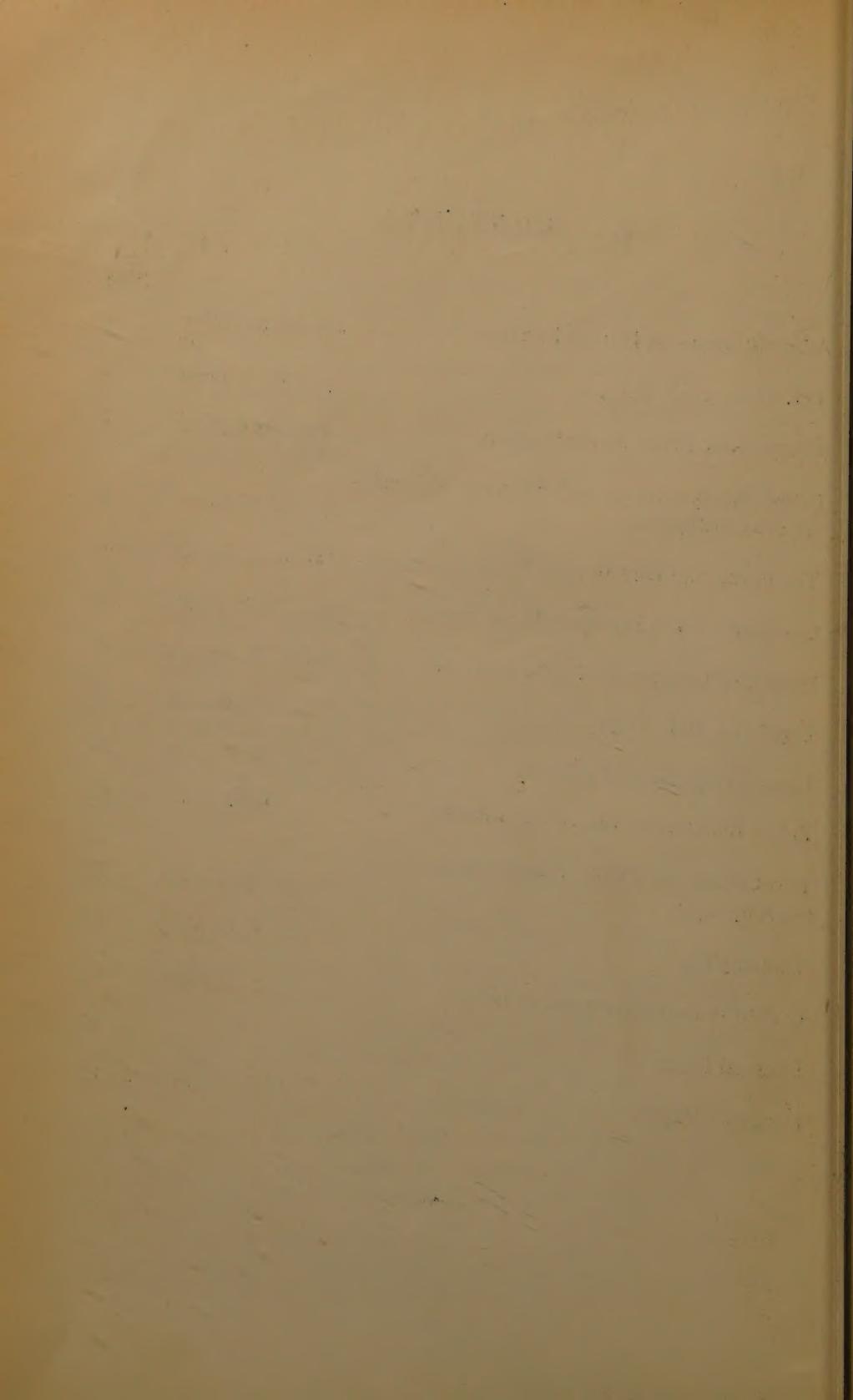
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*(The views expressed in the signed articles are the personal opinions of the contributors and are in no sense official, nor is the Indian Institute of Public Administration responsible for them.)*

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# THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

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## ADMINISTRATION—A HUMAN <sup>LIBRARY</sup> PROBLEM

“....Administration like most things is, in the final analysis, a human problem—to deal with human beings, not with some statistical data. Statistical data helps in understanding. But there is the danger that pure administrators at the top—not so much at the bottom, because they come into contact with human beings—may come to regard human beings as mere abstractions. There is that danger at times in both types of society, whether it is what might be called capitalist society or communist society.

“The communist talks a tremendous deal about the masses, the toiling masses. The toiling masses become some abstraction apart from the human beings in them. He may decide something on pure theory, which may lead to tremendous suffering to those toiling masses. So also the other administrator functions in a different, i.e., capitalist society. The administrator may think in abstract of the people he deals with, come to conclusions which are justifiable apparently, but which miss the human element. After all whatever department of Government you deal with, it is ultimately a problem of human beings, and the moment we forget them, we are driven away from reality.

“....Administration is meant to achieve something, and not to exist in some kind of an ivory tower, following certain rules of procedure and, Narcissus-like, looking on itself with complete satisfaction. The test after all is the human beings and their welfare.”

—Jawaharlal Nehru

(From the Address delivered at the Inaugural Meeting of the Institute on 29th March, 1954.)

## THE NEW CIVIL SERVANT.\*

*N. R. Pillai*

“—WHAT manner of man is the new civil servant to be? He should, it is clear, possess the traditional service virtues—efficiency, integrity, and loyalty, more especially to policies and institutions. But of one supposed virtue, that of neutralism in matters with a social or suspected political content, he must rid himself. It has for long remained an unchallenged maxim that the perfect civil servant must be completely neutral from a political point of view and prove himself the loyal and obedient instrument of whatever party is in power. If this means that the model civil servant should create a political vacuum in his thinking, it is a doctrine which must be discarded.

“Every citizen, whatever his calling, has the right to develop and hold his own political views. With this right there can be no interference. But it is the duty of all public servants, as it is of students, not to become political partisans or to engage in political activities. Fortunately for us, the ideal of a Welfare State is not in our country a controversial political issue; it is the goal laid down in the Constitution itself. Far from being a neutralist, the public servant of today, and still more of tomorrow, should be one rich in human sympathy and with a fully-awakened social conscience. To his work he must bring not only competence but faith and fervour and a mind, receptive as well as constructive, able to see, beyond the immediate difficulties, the opportunities that lie ahead.

“This does not mean that the public servant should degenerate into a ‘yes-man’. But it does mean that he should on no account be a ‘no-man’, the man who can only see snags and pitfalls and whose instinctive reaction to external stimulus is one of obstruction. The ‘yes-man’ tries to please others, the ‘no-man’ pleases himself; the ‘yes-man’ does not reveal his mind, the ‘no-man’ has no mind to reveal. Both species are a danger to any organization, but the no-type is a greater danger at a time of growth and development.”

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\* From the Convocation Address delivered at the University of Travancore on December 18, 1953.

# COMPARATIVE PUBLIC ADMINISTRATION

*Paul H. Appleby*

THE primary focus of the Indian Institute of Public Administration will properly be internal. It is fortunate that the Institute has come into being at a time of new possibilities for enriching the internal view by systematic consideration of public administration in terms of comparing internal processes and values with those of other countries. Public administration everywhere is beginning to seek consciously and extensively enrichment of this sort.

Similar professional organizations in other governmentally-advanced states are rather new and just entering a stage of really significant learning. They provide journals and generally stimulate the production of an increasingly useful literature. These organizations are complemented by the International Institute of Administrative Sciences, and through common consideration of problems and personal contacts they are trying to promote the study of public administration all over the world.

The United Nations and the galaxy of its specialized organizations have also moved steadily in the direction of a fuller realization of the fundamental importance of administration in matters treated earlier exclusively in substantive and technical terms. The U.N. itself has developed a significant world programme in public administration.

Co-operative programmes between pairs or groups of nations have increasingly pointed in the same direction. The Colombo Plan and the Technical Assistance missions newly stress administrative development appropriate to new dimensions of public undertakings. Movement of individual persons under sponsorship of their governments or private 'Foundations' involves an emphasis of the same sort. R.G.A. Jackson of the British Treasury, originally an Australian official and intimately acquainted with administrative organisation and practice in many areas of the world, is on a regular assignment for overseas consultation and he is only one among many who are making significant contributions of similar sort.

All of these activities reflect and further stimulate international drives toward administrative advancement and increased learning both theoretical and applied.

Before this movement got under way, the study of comparative government in university classes and in publications throughout the world was very much restricted to constitutional structures and legalistic theory. These as often as not misrepresented the reality, and even distorted it. In any case, they failed to penetrate deeply into the study of processes by which the values sought by public agencies are achieved or lost. On the American continents, for example, great similarities between many of the constitutions in the southern hemisphere and the United States constitution wholly fail to account for greatly divergent practices. The conduct of government, which is the area of public administration, is a highly important part of the means by which governance is achieved, and "the end pre-exists in the means" as philosopher Emerson and philosopher-leader Gandhi were agreed.

Impressed by the great need for numerous and extensive studies in comparative public administration, the American Political Science Association has had a committee at work for more than a year on plans seeking to maximise the usefulness of such studies. A year earlier the establishment of this committee had been foreshadowed by a conference called by the Public Administration Clearing House.

The committee has concentrated its attention chiefly on three concerns. Since it is unlikely that the administrative systems of all States can be sufficiently studied in the near future, some attention has been given to identifying substantial elements of kinship between systems, pointing toward the early selection of areas for study which all together will be somewhat representative of the varieties of administrative species. The committee has attempted also to identify the most essential elements of public administration in order that various studies could be organized so as to present really comparable and significant material. And in dealing with this subject, the committee has felt impelled to take up the third—that of finding or inventing terminology which can have a common application and meaning.

The committee also has recognized the importance of cultural ecology of public administration—the environmental

variations afforded by differences in history, *mores*, attitudes and ideologies. Government is inevitably to a large extent a product of culture even though, it, in turn, becomes a factor influencing culture.

Terminological problems are exceedingly difficult. In any nation where public administration has become at all self-conscious as a profession or even well established as a practice, terms have come to have meanings peculiar to the national setting. Even the basic word 'administrative' in British-related systems tends to have a meaning different from that popular among American academicians not long ago. Because the President of the United States is denominated the 'chief executive' in the American Constitution, scholars in our country used to insist that 'executive' has a higher significance than 'administrative'; while in the British areas because of division of the civil service into a top 'administrative class' and a secondary 'executive class,' the ranking of the two terms was the reverse of the American ranking. 'An official', 'a department', and 'the civil service' are examples of other terms having different meanings in different countries, and sometimes two or more special meanings in a single State. Communication across cultural lines is much impeded when so many technical terms convey different meanings to various listeners or readers.

The value of achieving a somewhat universal and fresh terminological structure, however, goes beyond simply facilitating communication. It points to the central value of the comparative study by opening the way to really fresh thinking about administration. Familiar terms tend to become *cliches*, predetermining the limits of thought by ruling out an examination of assumptions implicit in the terms. *Cliches* tend to become dogmas.

A familiar example is provided in the United States by the phrase 'separation of powers'. Its history begins with Montesquieu who, in a fashion too common among intellectuals in viewing somewhat remotely the British government of his day, misinterpreted it by over-straining a definition of a mild distinction between the parts of that government. Accepting that definition to a degree, the makers of the American government provided for a relatively greater separation of powers than Britain actually had; and American scholars went still further by long insisting on describing the American government as actually characterized by a separation of

powers greater than the Constitution had created. Indeed, it may be said that if the reality had conformed to the academic picture thus painted it would long since have failed.

A somewhat different example of the influence of terminology may be offered in the Indian context. It is my own feeling that the use of the word 'class' in indentifying different parts of the Indian civil service tends here to carry over into the new age too much of a feudalistic content. At all events, outside of the British-related systems the term has an unnecessarily undemocratic connotation. It is for India to decide whether or not the term colours performance in any undesirable way here, and at least a temporary escape from the term will be necessary for free consideration of the subject.

It is the stimulation to free and imaginative scrutiny of organizational forms and processes that is the end in view, as comparative public administration becomes a focus of world-wide study. Rarely, if ever, will any administrative system find it possible or desirable to copy wholesale structures and practices of another system where history and culture are markedly different. Even under the British colonial rule, Indian government was not a copy of the British system. In many ways experience here fertilized the United Kingdom government, and in other ways conditions here required much differentiation. This is even more true today. But in varieties of experience the whole world has a great pool of experimental learning which can enrich the practice of each State and which all together can help us point toward the development of a fuller-bodied world community.

Actual social institutions—the organizations of human beings working effectively together—are and always will be the chief repository of learning about how to conduct such institutions in the real conditions under which they function. But the process of advancing such learning, and the facilitation of its communication, can be greatly expedited by conscious description, analysis and theory, as well as by imaginative anticipation of future conditions and needs.

The situation here is highly favourable to an especially rapid development in learning about public administration, both in current practice and in dynamic theory. The number of persons qualified alike in intellectual attainment and in hard experience is high. Their exposure is already highly international. Their zealous devotion to the democratic aspira-

tion is unsurpassed. The professionalization of public administration here can move with practitioners and scholars fully sharing responsibility for the intellectual achievement ahead; this will keep the academicians from straying too far toward unreality and misunderstanding and the practitioners from too exclusive immersion in day-to-day necessities. In both groups there is also a healthy willingness to seek criticism and to undergo self-criticism. Whenever energies may be spared from the urgency of internal needs, India will be making important contributions to the world study and practice of public administration. Because of her peculiar position in the world, I think that day will mark a new epoch in the history of the advance of democracy.

# PUBLIC ADMINISTRATION & THE DIRECTIVE PRINCIPLES OF THE CONSTITUTION\*

*D. G. Karve*

EVERY constitution has an appropriate form of public administration, designed to carry into effect the purposes of government. We in India need little to remind us of this truth. The bureaucratic form of government, which prevailed in the country till seven years ago, had a well-recognised system of administration as its instrument of action. Beneath the outward forms of an expanding constitutionalism, the substance was that of decision-making by fiat of foreign power and of the execution of these decisions by a disciplined body of public servants. The system of government was exploitative and the form of administration was oligarchic.

The republican constitution of free India, naturally requires a different type of administration. All final decisions, of lawmaking as well as of executive action, are now made by the people's representatives. In giving effect to these, the administration has not only to conform to the letter of the law and to the implications of authority but also to keep it in view that the people it has to deal with are themselves sovereign. While, therefore, the intentions of the law made by constitutional organs of the State have to be scrupulously carried out, the manner in which this is done is one of 'serving the ends of law' rather than that of 'enforcing authority. Though traditions die hard and it takes long to build up new ones, there is no doubt that in their dealings with the people, collectively as well as individually, the Indian public services are for the first time proving the significance of their name : they are 'Indian', they are 'public', and they are 'services'.

This change in the manner of approach has been made necessary not only by the altered character of the government but also by several of the specific directives and provisions of the Constitution. Article 38 of the Constitution specifically provides that the State shall strive to promote the

\* Radio talk delivered on 5th March, 1955. Reproduced by the courtesy of the All India Radio.

welfare of the people by securing and protecting, as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life. The objective of a Welfare State based on justice, *i.e.*, broadly, on the absence of exploitation in any form, places on administrators a responsibility which, though not new in form, is certainly new in emphasis. The administration does not make laws, though some of its general orders partake of the character of law-making. It is primarily for the legislature to give effect to the purposes of promoting welfare and avoiding injustice. But in enforcing the law the administration has always a choice between a mechanical and a human approach, between callous indifference and just sympathy. While the legislatures and governments at the Centre as well as in the States, have been busy in implementing the ideal of Welfare State, the administration has also identified itself in an increasing measure with the purposes and the spirit of the new Constitution.

A Welfare State is more economic than political in character. That this thought was present in the minds of the authors of the Indian Constitution is obvious from the 'Directive Principles'. Article 39 calls on the State to direct its policy to secure for all citizens—to men and women equally—adequate means of livelihood. Even if there were no other directive of policy than this, the State would find itself saddled with responsibility of directing the economic affairs of the nation. In fact, however, Article 39 further provides that the State must ensure that the ownership and control of material resources of the community are so distributed as best to subserve the common good. In many cases the common good can be served best only by vesting both ownership and control, or either of them, in the State itself. This choice is being forced on the State almost continuously and new economic functions of increasing importance are being undertaken by the administrative machinery.

A more direct responsibility is placed on the State by Article 41, in regard to securing within the limits of its economic capacity and development, to all citizens the right of work and the right to public assistance in cases of unemployment, old age, sickness, disablement and undeserved want. It is true that the State itself has not yet moved very far on the road to achieving these objectives. Most of them have, however, found a place in our national development plans. In all

development plans, a greater emphasis is being now laid on the creation of employment opportunities. A limited scheme of workmen's insurance against sickness, accident and disease is already in operation. The question of framing a scheme of un-employment insurance is under consideration of the Government of India. Minimum wages have been fixed in a number of employments. These and many other similar developments are bringing the administration into intimate touch with the great mass of people—a new experience and a new opportunity for the services which they are putting to good use.

A specific directive of the Constitution (vide Article 48) relates to the re-organisation of agriculture and animal husbandry on modern and scientific lines. The community projects and the national extension service, which have made such a promising start, represent some of the concrete steps taken to implement this directive. To change the outlook of the people, to bring the most advanced techniques to the notice of farmers, to supply them with both the knowledge and the means of applying the new methods, and to help them set up their own organizations which will enable them to improve their conditions on a continuing basis: these are some of the important objectives of the new schemes of rural transformation.

While public men and private institutions are helping materially in initiating and promoting rural community schemes, the administration itself has been radically reformed to cope with the new task. The pattern of administrative machinery varies from State to State, to suit varying requirements and traditions. State Governments are inspired by a determination to assume 'leadership for creating leadership', to work in co-operation and not in isolation, to bring the administration as near the villager's home as possible, and to govern by leadership and consultation and not by authority. Though the degree of success achieved is not the same everywhere, each State is on the move.

While some amount of regulatory action on the part of the administration is inevitable for fulfilling most of its tasks, government activities based on the sanction of physical coercion are receding into background. Whereas in the old days, to take an illustration, we felt that the Collector was the head of an organization which would curtail our liberties,

we now look upon him as one who would promote development and assist all legitimate causes. Service, rather than control, is coming more and more to be associated with the functioning of the administration. This is in entire accord with the spirit and the directives of the Constitution.

The new and wider functions of the administration have given rise to special problems of recruitment, training and organization. These are being looked into carefully. While the main methods of recruitment are still the same as before, i.e. examination and interview by non-partisan selection boards, there is manifest a greater readiness to rely on the practical test of experience. In respect of technical sides of the services it is being increasingly realized that unless persons who have gathered experience and proved their competence in fields other than government, are occasionally called in on appropriate terms, the growing responsibilities of the State in matters to which it was hitherto a stranger would not be properly discharged. Within the public service, some sort of specialisation is continuously taking place. While there will always remain scope for a general administrative service, its gradual specialisation seems inevitable if full effect is to be given to the objectives of the Constitution. It seems to be equally inevitable, in fact it is very natural, that technical and service departments should attract more attention now than was the case in the past.

The training of public service personnel has assumed special significance in the light of the obligations imposed on the administration by the Directive Principles of State Policy. For carrying out the new programmes of social and economic reforms, the staff requires to be specially trained and oriented in the performance of new tasks. Post-entry training is normal in some departments, such as general administration, finance and police ; in others such training programmes have not been developed to any appreciable extent. Recently, special training and orientation courses have been started for the staff of community projects and national extension service. Training schemes already initiated in some other departments need to be expanded so as to extend their coverage and improve their effectiveness.

While attempts which are being made to equalise educational opportunities, will increase the possibility of recruiting personnel from all sections of the community, special

efforts are needed to promote education among the backward classes and to attract suitable persons from among them to the public service. As a result of certain reforms, education of backward classes is already receiving a measure of assistance and support. Special provision exists for recruitment to the public service, of candidates from backward communities provided they possess the prescribed minimum qualifications. The existing measures should be reinforced and extended.

A Welfare State, having a planned economy and a republican constitution, cannot function except through a widespread and integrated structure of public administration. 'Bureaucracy' in some form or other is thus inevitable. In India, we have very bad memories associated with it. There seems, however, to be little danger that 'bureaucracy' will degenerate into 'despotism' so long as in the selection, training and supervision of civil service personnel the principle of service, rather than that of authority, is constantly borne in mind.

The attitude of the general public towards the administration is equally important. While the citizens should rid themselves of their fear complex and the officers of their superior airs, both must respect the law. That the people get the government that they deserve is nowhere more in evidence than in the relationship between officers and citizens. If the citizens behave with dignity and respect for the law which the administration is bound to administer, the services too will be more co-operative and helpful. On the other hand, if the citizens continue to suffer from an inferiority complex or develop a new complex of superiority or go out of their way to seek favours, an inefficient, corrupt and despotic administration will emerge.

The Directive Principles of the Constitution specifically enjoin on the State two other administrative reforms of a fundamental character : a complete separation of the judiciary from the executive and the establishment of village panchayats. There has been a strong and persistent demand for taking the judicial functions of the magistracy away from the executive. The impartiality of the judiciary cannot be secured without making it free from dependence, direct or indirect, on the prosecuting machinery. In some States effect has already been given to this directive and in many others suitable steps are being taken to implement it. Complete effect should be given to this directive as early as possible.

Article 40 of the Constitution provides for the establishment of self-governing bodies in rural areas, *i.e.* panchayats. Most State have already enacted legislation on the subject and panchayats are being established in large numbers. They are likely to prove the strongest bulwark of Indian democracy. In our schemes of community projects and national extension service too, special emphasis has been placed on the promotion of popular local institutions.

The whole pattern of rural life is now in a process of re-organisation. The form and character of rural bodies, including panchayats, should be streamlined to meet the growing economic, administrative and civic needs of rural areas. By establishing popular institutions in rural areas on a firm and sound footing, we shall be taking an important step forward towards the implementation of the Directives of the Constitution.

Go<sup>t</sup> enterprise

## THE FORMS AND DIRECTIONS OF PUBLIC ENTERPRISE

*William A. Robson*

STATE intervention of a positive kind in the ownership, operation or regulation of industries and services has now assumed the proportions of a vast worldwide movement. It is to be found not only in the highly developed countries of the West but also in the under-developed countries of Asia and Africa. The scale of this movement is vast; its diversity bewildering; its social, economic and political significance unquestionable. Public administration still awaits its Linnaeus; and in the absence of a comprehensive scheme of classification it may be useful to consider some of the more important directions in which public enterprise is moving in various countries and the forms it is tending to assume. What follows is far from being exhaustive; and even from my own limited knowledge I could add quite a number of frills and decorations. But I have tried to simplify.

I propose to consider first the directions of public enterprise. The following seven categories comprise types of public enterprise which appear to have fairly distinct characteristics :

### Public Utility Undertakings

No one has ever defined a public utility in a satisfactory manner. The practice varies considerably from one country to another, and even as between experts within each country, as to what undertakings should be brought under the heading. The public utility concept seems to involve, first, the idea of a service which is so essential that it requires public regulation, ownership or operation ; and second, the notion of a service which for various reasons tends to be monopolistic. Even this does not dispose of the matter in a satisfactory way because it leaves open the question of what is essential. The luxuries of one age become the necessities of the next; and all the services which are today widely recognised as public utilities were for long the luxuries of the well-to-do. We can say, however, that gas, electricity, water, ports and harbours are indubitably public utilities. Some people may wish to include public transport services, railways, and even

coal mining; but I find it better to subsume these under separate headings.

#### Transport and Communications

These appear to be a coherent group comprising railways, motorbus, tramway and trolleybus services, air lines, airports, canals and inland waterways, telecommunications, ferries, and so forth. The mail carrying services can also be brought under this heading.

#### Banking Credit and Insurance

This represents a well-established manifestation of public enterprise which includes central banks, commercial or business banks, savings banks, bodies intended to provide credit for agriculture, such as the Farm Land Banks, the Federal Intermediate Credit Banks, and the Production Credit Corporations of the United States, and the Land and Agricultural Bank of South Africa. It also includes organs set up to assist industry and commerce to raise capital, such as the Reconstruction Finance Corporation of U.S.A. or to advance money to a particular industry, like the National Film Development Corporation in Britain. It is possible to bring under this heading public pawnshops and mortgage institutions operating under State authority and also a body like the Conseil National du Credit in France which has very wide and important functions. Whether our own Industrial and Commercial Finance Corporation and the Finance Corporation for Industry should be regarded as examples of public enterprise is not free from difficulty, since most of the capital of the former is owned by the main commercial banks, while that of the latter is divided between the Bank of England and a group of insurance companies and trust companies. On balance I should include them. International forms of public enterprise like the International Bank for Reconstruction and Development must be included under this heading.

So far as insurance is concerned, I am thinking not of social insurance but of such examples of public enterprise as the War Damage Scheme in Britain, the nationalized insurance companies in France, crop insurance in the United States carried out by the Federal Crop Insurance Corporation, the insurance of mortgages and loans carried out by the Federal Housing Administration, and the export guarantees provided by the Export Credits Guarantee Department in

Britain. There is a surprisingly large amount of public enterprise in many countries coming under this heading, but very little study has been given to it. State activity of this kind has come to be generally accepted but not much is known of the way in which it works or the effects it produces.

It would be permissible to extend this heading to include fiduciary activities of the State, such as those carried out on a large scale here by the Public Trustee.

#### Multi-purpose Development Projects

The T.V.A. was the first modern example of a multi-purpose project sponsored and initiated by the State. The aims originally specified for the T.V.A. were flood control, improving the navigation of the Tennessee river, generation of electrical power, the proper use of marginal lands, reforestation, and the economic and social well-being of the people living in the river basin. The main functions which have been performed by the T.V.A. relate to water control, navigation, the generation and distribution of electric power and the production of nitrate for use as a fertiliser. But although the wide purposes envisaged by President Roosevelt have dwindled under pressure of resistance from lesser men, the T.V.A. remains a multi-purpose project *par excellence*. It has served as a model for the great river valley projects now in course of construction in India, such as the Damodar Valley Corporation, which is promoting irrigation, flood control, and power production on a large scale.

The Volta River Aluminium scheme in the Gold Coast is another example of a river valley project. This involves the construction of a dam and a huge lake, the development of hydro-electric power, building of a smelting plant to exploit the local bauxite deposits and to utilise the power, together with a wide range of public works, including railways, roads, houses, schools, hospitals and other public buildings. Another American multi-purpose undertaking is the Panama Canal Company, formerly known as the Panama Railway Company. This Company, which is entirely owned and controlled by the United States Government, maintains and operates the Panama Canal. It also carries on a large number of business activities, including a railway and steamship line, docks, piers and terminal facilities, bunkering plant, cold storage facilities, hotels, restaurants, theatres, bowling

alleys, electric power, water and telephone services, a printing plant, motor transport services, ship repairing, etc.

Our New Town Development Corporations are multi-purpose projects of a very different kind. They are urban and not rural. They are concerned with the control and use of land rather than of water. They are located in over-developed rather than in under-developed or neglected areas. Their comprehensive character is the distinguishing feature which places them under the same heading as the river valley projects.

The Colonial Development Corporation is a quite different conception of a multi-purpose undertaking. It was established in order to investigate, formulate, and carry out "projects for developing resources of colonial territories with a view to the expansion of production therein of foodstuffs and raw materials, or for other agricultural, industrial or trade development therein"\*. Its activities include an immense variety of enterprises in the Caribbean, the Far East, and Africa. They include agriculture, animal products, fisheries, forestry, mining, housing and development, public utilities and manufacture. The Corporation is responsible *inter alia* for the new Fort George Hotel in British Honduras and for producing in Jamaica turtle soup which is sold in this country and in America !

#### Basic Established Industries

This heading is intended to refer to industries or services of national importance which have already been established by private enterprise and which are subsequently subjected to public enterprise in one form or another. (One must exclude, of course, industries coming under any of the previous headings set out above.) Coal mining, iron and steel, agriculture, fisheries, oil production or refining, are obvious examples. Here again we must consider not only national enterprises, but also international undertakings like the European Coal and Steel Community.

#### New Industries or Services

In Britain nationalisation has chiefly meant the taking over by the State of long-established industries such as coal, railways, gas, electricity and so forth. But in many countries

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\* Overseas Resources Development Act, 1948, Section I (1).

public enterprise is an initiating force. This is particularly noticeable in India, where all recent nationalisation policy (with the exception of the air lines) has been directed towards the creation of new industries or undertakings. Thus, the main items in the current nationalisation programme are the great new Sindri fertiliser factory, which cost about £17½ millions; the Chittaranjan locomotive factory, which represents the first attempt to manufacture locomotives in India; the Indian Telephone Industries, Ltd., which produces telephone equipment; a new aircraft factory in Bangalore; the National Instruments Factory; a penicillin factory; the Hindustan Shipyard, which is also a pioneer effort in a new industry for India; a machine tool factory in Mysore and a few other undertakings of a similar kind. The Indian Government has recently signed an agreement with the Imperial Chemical Industries to build the first explosives factory in India for industrial purposes, most of the capital of which will be publicly owned.

Even, in Britain there are some notable examples of public enterprise in new spheres. By far the most important is the work relating to the development of atomic energy, carried out by the Ministry of Supply and now to be transferred to the Atomic Energy Corporation. Another important sphere of public enterprise has been the development of gas turbine—an entirely new industry in which the lead was taken by Government. One of our greatest domestic industries, the totalizator, has been owned and operated as a form of public enterprise from the outset.

#### Cultural Activities

This heading includes a substantial number of functions or services in the realm of the fine arts, scholarship or learning, which the state has subsidised, promoted or fostered in various ways. I would mention by way of illustration public service broadcasting and television; the encouragement and support given to drama, music, and the visual arts by the Arts Council in Britain; the State-supported opera houses in many countries; the Comedie Francaise in France and other State theatres; a wide range of municipal activities providing dramatic and musical performances and other forms of entertainment in many different countries; and lastly the development of cultural relations with other countries carried out by bodies like the British Council.

There is a very old tradition of State patronage of the arts which derives from the days of princely rule, and this has made the State responsible for many great national art collections, museums and libraries; but most of the cultural activities I have mentioned above are of comparatively recent origin, though there is certainly no sharp dividing line between the old and the new.

### THE FORMS OF PUBLIC ENTERPRISE

The forms, no less than the directions of public enterprise, provide a variegated picture, and I shall only attempt to indicate the most wide-spread types of institution which are being used to carry out State functions of the kinds I have been considering.

#### The Government Department or Ministry

This remains the principal instrument for conducting postal services in all countries, and telephone and telegraph services in most of them. Some Post Offices, like those of Switzerland and Britain, conduct a large banking business. The Swiss Post Office also operates the entire motor-bus system on which many mountain villages depend for their sole method of public transportation.

Many people believe that the Government Department is not an appropriate organ for administering public enterprise of a modern kind; yet, this contention is not everywhere accepted. The All India Radio System is under the direct control of a Central Government department with a Minister in charge of it; and I am very reliably informed that there is no political interference with broadcasting programmes such as might be expected. Moreover, Station Directors enjoy a considerable degree of discretion in India.

#### The Local Authority

The public utility era, which began in the mid-19th century, saw the town council (by whatever name it was called) invested with power to own and operate gas, water, electricity and street transport undertakings, and a great deal of "*municipal trading*" in these spheres still exists in many countries. But in general the areas of administration needed for the most efficient operation of these services have expanded, whereas the areas of local Government have remained

static. In consequence, municipal enterprise is declining and public utility services are being projected on to a regional or national scale. Nationalisation of these services in France and Britain, or provincialisation in Canada, is only municipal trading writ large.

### The Regulatory Commission

This device emerged in the mid-19th century as an instrument for regulating the railways in the public interest. It was Victorian capitalist democracy's notion of how the public interest could be reconciled in a monopolistic service with the profit-making incentive of joint stock enterprise. The idea quickly spread to the United States and the regulatory commission has come to occupy a most significant place in both federal and state Government. The independent Regulatory Commission is represented at the federal level by such massive and powerful institutions as the Inter-state Commerce Commission, the Securities and Exchange Commission, the Civil Aeronautics Board, and perhaps another twenty or more similar bodies which constitute what the President's Committee on Administrative Management described in 1937 as a fourth arm of Government. In Canada the idea also took root and produced organs like the Board of Transport Commissioners and the Board of Grain Commissioners.

In Britain the Railway and Canal Commission managed to survive until it was abolished by the Transport Act, 1947. Other more recently established regulatory commissions include the now defunct Electricity Commission; the Licensing authorities set up by the Road Traffic Act, 1930, and which now regulate both the road passenger services and the road haulage industry; the former Coal Commission and the Coal Mines Re-organisation Commission.

The task of the regulatory commission is usually to control or supervise undertakings which are operating for private profit. Publicly owned undertakings can be and are controlled by other means. Hence we should expect the regulatory commission to decline in countries which have moved from regulated private profit-seeking enterprise to public ownership and administration, and this in fact corresponds with experience, notably in Britain.

Our recent experience of the Monopolies Commission shows how essentially negative organs of this type tend to be,

even when they are trying to investigate and abolish restrictive practices. The growing edge of state intervention in economic life is in a positive direction and this may account in part for the growing dissatisfaction with the regulatory commission. As an illustration of this we may cite the interim report of the Trade Union Congress on Public Ownership published in 1953. The General Council of the T.U.C. expressed the view in this report that there is need for public control over certain industries conducted by private enterprise but they rejected the idea of supervision by a public Board of Control because it has "obvious disadvantages when what is required is to ensure that essential investment is undertaken".

#### **The Public Corporation**

The public corporation is the most important invention of the 20th century in the sphere of government institutions. It is to be found in one form or another in many different countries all over the world; in Britain and the Commonwealth countries; in the United States; in France, Belgium and many other Continental countries. I believe it will play as significant a part in the economic life of our time as the joint stock company played in the last century.

Public authorities enjoying various degrees of autonomy from the central government have existed for centuries; but the public corporation of today has special characteristics which distinguish it from these older bodies. It was specially devised as an organ of public enterprise and it has become the chosen instrument for this purpose in many lands.

The principal objects which have led to the development of the public corporation were the desire to entrust the economic functions of the State to bodies which should possess a large measure of independence of the Executive, and thereby secure freedom from the regulations normally applying to personnel and finance in Government departments. In parliamentary democracies an important factor was the need to provide immunity from liability to parliamentary questioning in respect of day-to-day administration. By these means, it was hoped to create an organ of public administration which would display the flexibility, initiative, the willingness to take risks, the adventurousness, and the readiness to experiment which is shown in the best examples of commercial enterprise.

The public corporation is now on trial on an extensive scale. It has solved a number of problems, but it has also created a number of new problems. Those which are proving most difficult concern its relations with the Executive and the Legislature. The right balance between independence and political control has not yet been struck in most countries, and the process of adjustment is still continuing. But of the broad result I have little doubt. The public corporation has come to stay.

#### Mixed Enterprise

By this we mean organs which combine public and private ownership and control. On the Continent *les societes d'économie mixte* are very numerous. In France, the State participates in more than forty companies engaged in wide range of activities, including mining for ore, film production, news agency, the production and distribution of petroleum, the merchant marine, industrial research, river navigation, and broadcasting. In Germany, a great part of the public utility undertakings have taken the form of mixed enterprise. It has been exceedingly common for German municipalities to hold part of the stock of gas and electricity companies, and for the national government to join in together with private interests. In Belgium mixed enterprise is to be found in many activities, such as the railways, water supply, low cost housing, canal and maritime installations, etc.

Mixed enterprise appears to have worked fairly well in countries where it is well established : at least there is no criticism or protest against it. But it has made little headway in the English-speaking world. The Anglo-Iranian Oil Company and the Manchester Ship Canal are leading examples in Britain. The South African Iron and Steel Industrial Corporation, the Bank of Canada, and the Federal Home Loan Banks in U. S. A., are specimens from other English-speaking countries. In India, important new forms of joint enterprise consist of a vast new steel works which Krupps is building for the Union Government, and another joint enterprise is the explosive factory which the Imperial Chemical Industries Ltd., has agreed to construct, equip and manage.

There seems little reason to believe that any spectacular developments are likely to occur in the sphere of mixed enter-

prise. In theory at least it would seem more likely to produce the worst of both worlds rather than the best, since the motives of public service and private profit-making are incompatible.

#### **The Joint Stock Company**

This can be and has been used for public enterprise, notably in India at the present time. It was also used during brief period of nationalisation of iron and steel in Britain for the operating companies whose shares were acquired. It is, in my view, inferior to the public corporation for the purpose, but it is worth mentioning.

#### **The Representative Trust**

Some writers distinguish the representative trust in the shape of bodies like the Port of London Authority and the Mersey Dock and Harbour Board or the Metropolitan Water Board. I scarcely think this is justified. These bodies are public corporations of a special type, or possessing specific characteristics.

There are other possibilities which have not so far been mentioned. The Co-operative Movement, for example, might be brought into the arena of public enterprise; and so, too, might the Building Societies.

Last and most important, what of the future? What forms is public enterprise likely to take, in this and other countries, during the next twenty, thirty or fifty years?

The forms of public enterprise cannot, however, usefully be considered apart from the directions which it takes. I believe that the directions will change considerably in the future. Nationalisation of whole industries as an end in itself is likely to give way to endeavours by the State to control, stimulate, develop and lead the economy in various ways. Political determination of major economic policy is likely to grow, but State ownership and operation of whole industries *en bloc* may possibly diminish. Control of development, price and dividend policy, the insistence on energetic attention being given to design, to research, to export sales promotion, and to new development—these are likely to be the growing edges of public policy in economic affairs. But State activity will not consist merely of planning, regulation, exhortation and investigation—far from it. One can foresee the

possibility of many new and subtle methods of governmental intervention which would be very different from the methods we have hitherto experienced. The line of demarcation between the public and the private sectors of the economy will probably become much less distinct than it is today.

## CO-OPERATION AND ECONOMIC DEVELOPMENT\*

*Tarlok Singh*

### I

AS a principle of economic organization, co-operation plays a remarkably small part in the present structure of production in India. It has a varying place in the economic life of various countries and only in a few branches of economic activity does it make a substantial contribution. In the perspective of the past two hundred years, except perhaps in the Scandinavian countries, co-operation has had only a meagre share in stimulating the process of economic and social development. For the greater part, co-operative activities have stood on the outskirts of the main stream of economic life c. they have been like pockets in a system based mainly either on the principle of community of ownership or on that of individual property. It would, therefore, appear that, as a method of economic organisation, co-operation has so far exerted only a limited influence on economic thinking and practice. Yet, weakness in action does not seem to have impaired the hope which the idea of co-operation has always inspired, specially among intellectuals and social workers in countries which have low standards of income and consumption and have a great deal of leeway to make up.

There is, thus, a certain contradiction between theory and practice, between the experience of the past and expectations of the future. It might, therefore, be of interest to consider, specially from the aspect of under-developed countries seeking a rapid rate of economic progress, what the precise place of co-operation as a principle or as a method of economic organisation could be and the conditions which would need to be met if co-operation were to fulfil the role assigned to it. Till recently, the process of economic growth and the conditions which determine its rate and form were not a subject of close study. Although important beginnings have been made in dissecting the experience of different countries, perhaps

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\* Address delivered at the University of Rajputana, Jaipur, on March 13, 1955.

conditions in various parts of the world have varied to such an extent that it might be too early yet to formulate any general principles of economic development. Both in the national and international sense, political conditions provide the setting for economic aims and practices and, in turn, economic factors help in shaping political trends.

In the middle of the twentieth century few countries are able to leave their economic development to chance and circumstance, or to the unaided enterprise of their citizens, or even to the disinterested assistance of more favourably placed countries. In different degrees, therefore, the expressions 'economic development' and 'planned development' have become almost synonymous. In a society in which an attempt is made in an increasing measure to prescribe the goals to be achieved and to organise human and material resources for achieving them, the methods of economic development turn upon the place assigned in the scheme of planning to four main ideas or concepts. These concepts and the manner in which they are interpreted provide the framework within which co-operation as a principle of economic organisation can function. Within such a framework, again there are other conditions which will determine the form which the principle of co-operative organisation may take and the range of activity which it may encompass. The four concepts are : Freedom, Property, Technology and Incentives. We may consider each of these briefly in turn.

Freedom is an absolute value, even though under certain conditions it may be difficult to preserve it. There could be many tests of freedom; the most important among them, perhaps, is whether there is freedom of information and freedom of expression and judgement. In societies in which freedom in this sense does not exist, there may be activities based on the principle of co-operation but their role and functions are of a subordinate and non-independent character. Those activities which cannot be equally well organised by the State or which are of altogether minor importance are left to the co-operative sector.

The system of property relations which exists in a community has considerable influence on the manner in which its economic development will take place. Where freedom exists in the sense described above, changes in property relations are likely to take place continuously until inequalities due to inheritance or on account of wide disparities in the scale of

rewards for different types of work largely disappear. It needs to be emphasised that in the conditions of freedom, whatever their scope, changes in property relations are brought about through a process of law, and even though the effects may be revolutionary the methods adopted are democratic and evolutionary. In a community in which there are gross inequalities in wealth, income and opportunity, co-operation as a method of economic organisation cannot play any significant part. Nor can it contribute much in a community in which the means of production and distribution are mainly in the hands of the State. Changes in property relationships achieved democratically leave small units in tact. By bringing these into group or co-operative organisations, it becomes possible to maintain and develop the structure of production and distribution even through the difficult period of transition.

Technological change is of the very essence of economic and social development. In an economy which is expanding, changes in technology can be introduced with much less social strain than when the rate of economic progress is low. This holds good for all types of societies. A system of enterprise based on private property and a system of State ownership are alike favourable to technological change. The problem of technological change has, however, wider implications. In a society in which property and income relationships are in the process of democratic change, there is special emphasis on human values and on the welfare of the community as a whole. As inequalities diminish, the problem is one of combining small units into sizeable groups so as to obtain the advantages of scale and organisation. The small units may be farmers working on their own land, artisans serving the village community or working for merchants, labourers felling trees for forest contractors, or consumers seeking to eliminate the middleman. In each case, in the immediate future it may be possible for a well-organised large unit or for a powerful individual to adopt improved technology and drive out the small man. Co-operation, on the other hand, enables a democratic society to adapt changes in technology from the point of view of the interest of the community as a whole and more specifically for meeting the needs of small men. The principle of co-operation enables small units to organise themselves and in this manner over a large sector of the economy the community may achieve technological

change by stages, each stage leading to the next, and not at the cost of the welfare of large numbers of small and relatively helpless people for whom the community is in no immediate position to offer alternatives. This is a point of special merit in countries like India.

Finally, comes the question of incentives. As human beings are constituted, given a fair measure of equality of opportunity, it may be that the maximum results are secured through a system in which social and individual incentives are blended together. In countries in which the means of production belong altogether to the community, the incentive of additional reward for additional work plays an important part in securing production. There are limits to which individual incentives can be successfully organised in a structure whose dimensions are such that the individual worker is rather apt to be lost. This applies as much to a large factory as to a State farm or to a big collective farm. On the other hand, the appeal to the individual incentive alone may soon degenerate into anti-social forms. Within the limits which may be set by basic technical and economic conditions there is little doubt that in a society marked by democratic changes co-operation offers opportunities of achieving a combination of incentives which are good for the group as well as for each individual participating in it. This analysis suggests, therefore, that in a society seeking freedom and social change along democratic lines, co-operation as a method of organisation may help in achieving a rate of technological change and a system of incentives which will contribute to the welfare of the community as a whole.

## II

Given a favourable climate of opinion and policy, the limit to the range of activities to which the principle of co-operation can be applied is set by the fact that a co-operative group has to be reasonably small for its members to know one another as individuals and as fellow workers and to trust one another. It may well be that for certain purposes a number of small groups may, as indeed they do, combine into larger organisations. These organisations derive their strength and vitality from the fact that they are based on small and fairly homogeneous groups which are actively functioning. Thus, it is easier to organise co-operative activity where the means

of production are of a small size or of a simple character than where they are based on complex technology. A co-operative farming society for an area of 50 or 60 acres can be brought into existence more easily than a society which takes in the entire land of a village. A group of artisans working individually or in small groups with relatively simple equipment, may be able to organise their work co-operatively with less difficulty than if, because of the equipment involved, work could not be easily divided between them. A farm worked altogether by mechanical equipment takes on the character of an enterprise in which there may be a considerable distance between the position of the manager and that of the workers. Similarly, in the field of trade in which middlemen control operations whether as buyers or as sellers, given some assistance, a small and compact group can organise its buying and selling activities more successfully than one whose members are bound to one another only tenuously. In other words, the size of the group and the character of the tools employed have a considerable bearing on the extent to which co-operative activity at the primary level may be organised. It may, of course, happen, as suggested earlier, that strong primary units at the base will make possible the organisation of a strong superstructure, each upper layer in the organisation being then able to take on functions which the layer below could not. A body of co-operatives concerned with agricultural marketing may at one level be able to undertake processing of agricultural produce and at another level wholesale trade in foodgrains and at a third level export trade in processed industrial raw materials.

Within the co-operative structure strength lies at the roots. The sectors of economic activity which co-operative organisations can take over are, therefore, likely to be mainly those in which the elements of strength are located at the base, in the size of the primary group and the kind of tools and resources used. From this aspect, fields, such as agricultural production, agricultural marketing and processing, trade in all commodities produced or used in rural areas, consumer's co-operative stores and co-operatives of industrial artisans are specially amenable to the co-operative method. It should be the aim in these fields to enable co-operation to become increasingly the principal basis of the organisation of economic activity. This implies not only that new activities in these fields should be co-operatively organised but also that existing activities should be taken over, step by step, by co-operatives.

In large industrial or transport undertakings, which entail heavy capital investment and are public or semi-public enterprises, the principle of co-operation can be expressed to some extent through participation in management on the part of workers. This is, however, an extension rather than an application of the idea of co-operation as it has been known in the past and is intended to achieve a somewhat different object, namely, avoidance of bureaucratic control.

The fields in which *prima facie* co-operation should become the leading principle of economic organisation will not be organised along these lines unless, in a system of planned development, co-operation is assigned certain sectors as a matter of State policy. The report of the Committee on the Rural Credit Survey suggests two conclusions which are significant in this connection. The first conclusion is that there has to be a partnership between the State and the co-operative movement if co-operation is to succeed and that such partnership has to extend directly or indirectly to all levels of organisation. The second conclusion, reached with reference especially to the problems of co-operative rural credit, is that the credit system of the country has to be reorganised so as to subserve the needs of the rural population. It is implicit in the study carried out by this Committee and in its recommendations that not merely has there to be State partnership for promoting co-operative development along certain lines but also as a matter of State policy certain fields of economic activity have to be organised as a co-operative sector.

### III

In developing the co-operative sector of the economy as part of its planning, the community would have to provide for those elements which are specially lacking at present. These are : (1) clear demarcation of the field which has to be progressively organised along co-operative lines, (2) resources and (3) managerial personnel and training facilities.

Even under favourable conditions, in the short run it is much harder for the co-operative form of organisation to succeed than it is for a completely socialist enterprise or for an individual entrepreneur. The human factors involved are more complex; on the other hand, if success is attained, the gains to the community are much larger. It is, therefore,

necessary for a democratic community to take special measures to enable co-operation to succeed as a method of organisation in the fields assigned to it. This consideration has been well emphasised in the report of the Rural Credit Survey Committee. For co-operative farming to succeed, for instance, in a country in which there is heavy pressure of population it is essential that when a number of small men pool their small holdings in a co-operative they should get additional land for cultivation as well as additional capital resources. Secondly, both in the field of production and in trade in the co-operative sector the managerial personnel have to be trained and provided by the State. While such personnel will be deputed to serve with co-operatives, the responsibility for making them available at all levels will largely rest with the government.

To consider the place of co-operation in planned economic development mainly as a matter of demarcating a sector of activity for co-operatives would be to take an inadequate view. The point may be illustrated from co-operation at the village level. With the economic structure of the country rooted in the village, it is necessary to think of co-operation not so much as a series of activities organised along co-operative lines, but as a system of co-operative community organisation which touches upon all aspects of life. Within the village community there are classes of people who do not yet enjoy equality of status and opportunity in sufficient measure. Co-operation would fail unless it means a sense of obligation towards all families in the village community and the development of land and other resources and social services in the common interest of the village as a whole.

To sum up, therefore, in a society built upon freedom, economic development has to be viewed as part of a process in which property and income relationships are being steadily and continuously modified in favour of small men. Small men, whether they are farmers or artisans or labourers, can hold their own and gain in strength and resources only if they combine along co-operative lines. Co-operative organisations permit the adaptation of new technology in stages which are in tune with the interests of the community. It is possible through them to develop a balance between social and individual incentives which will benefit the community as well as the individual. There are certain fields in which co-operative organisations can play a distinctive part in building up the economy and in eliminating existing

agencies such as money-lenders or middle-men whose contribution to the economy is marked by certain undesirable characteristics. As an extension of the idea of co-operation in large enterprises, workers' management can help in preventing the growth of bureaucratic and impersonal methods of control. The development of a co-operative sector as part of a scheme of planned development, however, requires that the aim be accepted as a matter of national policy and that, in addition to managerial personnel and facilities for training at all levels, the resources of the banking and credit system as well as resources, such as additional land, derived through land reform, and better equipment, should be provided to those engaged in different forms of co-operative activity. These various steps have to be taken, not merely because they are a condition of practical success, but also because the idea of co-operation embodies the essential values of the new society which we seek to create.

## IMPROVING CIVIL SERVICE PUBLIC RELATIONS

*O. C. Mazengarh*

**D**O not urge your Minister to seek amendments or consolidation of statutes or the gazetting of new regulations unless they are really necessary—"Many people are suffering from legal indigestion caused by the large quantities of law being served out to them. Much of it is just a re-statement of existing law".

2. Do not threaten to use any of the salutary powers given to the administration unless it is intended to carry out the threat—"The legislature sometimes expresses powers widely because of the difficulty of being too specific. But wide powers should never be invoked to further some other object, or for a show of strength".

3. Do not prosecute for technical breaches of law—"If the law has been broken, look at the matter on its merits and consider whether any real harm has been done. The State is a financial loser every time a small fine is imposed because the cost of the prosecution is more than the fine".

4. Do not become obsessed with the idea that your department can do no wrong—"In all your dealings with the public, begin with the notion that the citizen may possibly be right".

5. Do not allow official obstinacy to prevent you from altering an unwise decision—"Frank confession of error may be as good for you and your department as it is for the citizen offended".

6. Do not conservatively search for reasons why suggestions from outside your department should not be adopted—"Move with the times; think out ways and means by which the reasonable desires of the public can be met".

7. Do not be deluded into the belief that the public interest is necessarily served by saving time inside the department—"What does it profit the State if some of its servants save their own time and waste more of the time of the public? Queues at the railway stations, post offices and

other departments are a serious reflection on the organising ability of the senior officers".

8. Do not try to protect your own department by passing the buck to another department—"You are employed not by a department but by the Crown. When things go wrong, meet the situation fairly".

9. Do not think your importance in the service is measured by the number of clerks and typists who surround you—"Your real worth to the State may be measured by the number of employees you can do without. When State controllers enter the portals of any enterprise, individual initiative and economy frequently walk out and it takes three or more people to do the work of two."

10. Do not contemplate the acceptance of employment on your retirement which may bring you into association with your former department—"It is not compatible with the dignity of the service for a former head to be making requests to those who were previously his juniors".

(From an address to the Civil Service Institute, New Zealand )

# LEGISLATIVE STAFF AGENCY

*R. Dwarkadas*

ONE of the most crucial problems in democracy is to weave the textures of legislative responsibility and administrative accountability in a harmonious pattern. The legislature, whether as a policy-sanctioning organ of the government or as the grand task-master of the governmental affairs, has an over-all responsibility to hold administrative agencies and authorities, which are mostly its creatures, to account.

With an enormous increase in social and economic activities of government, directed towards the realisation of the ideal of a welfare state, the old concepts concerning the strict separation of powers have been rudely shaken. The growth of administrative adjudication and delegated legislation has not only disturbed the basis of old concepts but also given rise to intricate problems of legislative control of administration.

The fact of increase of quasi-legislative powers of administrative authorities controlled by ministerial wing of Parliament has not found favour with some legislators, academicians and administrators. Due to heavy pressure of business and institutional unsuitability to comprehend fine technicalities of administration, modern legislatures have to confine themselves to broad objectives and policies : it is for the administration to work out details within this framework. Under the compulsions of parliamentary democracy and the dynamics of a 'welfare' state, legislatures have to include in most of the statutes, a special provision empowering the administration to make rules and regulations in respect of "specified" matters.

The delegation of this vast power of rule-making to departments and administrative agencies has brought in its train many problems. Most important of these are : how to ensure that administrative agencies do not transgress their powers or misinterpret statutes; how to determine whether they are using their powers carefully, or while conforming to the letter of the law, are violating its spirit; and how to compromise the demand of the administration for more quasi-

legislative powers with the requirements of parliamentary control of administration?

The great increase, in recent times, in the volume and scope of 'delegated legislation' can hardly be viewed with equanimity. Such devolution of quasi-legislative authority on administrative agencies obviously gives them powers having a great potential of mischief. The necessity for limiting their authority, in such a context, becomes imperative. Otherwise, the liberties of the individual would be seriously jeopardised. Though the judiciary serves as the bastion of individual liberty, there are many administrative matters in which it has no jurisdiction. Besides, the very nature of its control is mostly negative. We should evolve institutional devices which would *ab initio* frustrate the attempts of administrative agencies to scuttle individual liberty by the misuse of their powers.

While the need for a legislative review of semi-legislative powers enjoyed by the administration is urgent, there are serious doubts about the effectiveness of such a review. Legislatures are already overburdened with work relating to framing of policies, appropriations of money and expenditure of funds, etc. They also act as custodians of democracy. Further, legislators are no experts. Their amateurishness, political interests, and pre-occupation with party intrigues and the cultivation of their constituencies, make them averse to undertaking a microscopic review of quasi-legislative activities of the administration. For similar reasons, the committees which are entrusted with the task of review, handle it more or less ineffectively. If ever they become active and bold, their suggestions are not easily acceptable to the greater law-making body.

The establishment of a Standing Committee of Parliament is another possible device for reviewing semi-legislative actions of administrative agencies. Experience has shown that even such a committee usually suffers from amateurishness, political involvements and the indifference of the legislature. Even if a standing committee is appointed, the degree of specialisation which it might develop in a tenure of five years or so will, perhaps, not be adequate for an effective probe into the working of 'delegated legislation'.

If Parliaments are apathetic and committees do not provide the requisite experience, what then is the solution?

Can administrative agencies be allowed to continue to flout the spirit of statutes, to exceed their powers, and cause irreparable damage to liberties of individuals? Does not the knowledge that their work will not be carefully reviewed by the legislature, encourage in such agencies a tendency to abuse powers? Unless we can find an answer to these pressing problems, the mounting volume of 'delegated legislation' is, in the long run, likely to obstruct the smooth functioning of our democratic society.

For a proper and effective review of semi-legislative actions of administrative authorities, what we need is a 'legislative staff agency' which should be an expert advisory body, independent of administrative authorities and ministers but subservient to the legislature. A permanent staff of five experts who have had wide administrative experience might constitute the agency. Their past administrative experience will give these persons the necessary 'administrative feel' for handling 'review' work in an expert way. The personnel of the agency should have no official link with the administration, nor should they aspire to any future prospects in government. They should have a permanent tenure in the agency and an ex-officio representation in the Parliamentary Standing Committee concerned with the review of sub-legislative matters. While the legislators will change from time to time, staff experts of the committee need not. Thus, the agency will provide a continuity in review.

The legislative staff agency proposed above, being purely advisory in character, is not expected to act as 'super-administration'. The committee will be a useful instrument for reviewing the acts of 'experts in administration' by a body of outside experts. It will ensure an effective and continuing legislative control of administration without detracting from the generalist nature of representative democracy, both in the U.K. and India. The expert staff agency will only buttress the generalist legislative control of administration: it will not replace it. In short, it will provide the element of quasi-administrative and quasi-legislative 'expertise' to the legislative wing of government.

# HOW TO ORGANISE AN EXHIBITION

*N. P. Dube*

ORGANISING an exhibition—there is nothing to it. Collect a handful of whole-time workers, issue a press note about the exhibition, allot the stalls to the highest bidders and, all that you have to do thereafter, is to sit back and watch the money roll in. At least that is what the novice thinks and, if he is the cautious kind, he takes a few other precautions for good measure.

Exhibitions—and international exhibitions at that—are becoming an almost regular feature of the life in the Capital. This is a development about which we have every reason to be satisfied for, if nothing else, it stops visitors to Delhi from being offensively rude to our press correspondents and telling them that it is about the dullest metropolis they have visited during their peregrinations around the globe. No exhibition today is complete without the cultural shows that are organised in connection with it. The dance recitals and ballets by Kumari Kamala, Gopinath, Mrinalini Sarabhai, Vallathol's Kerala Kalamandalam, Rukmini Devi's Kalakshetra, Tagore's Shanti Niketan, Bombay's Little Ballet Troupe and Delhi's Triveni Arts Centre—to say nothing of the music of Subbulakshmi, Pattammal and Semmangudi Iyer, with Ravi Shankar performing on the *Sitar* and other masters exhibiting their perfection on the *tabla* and other instruments—what else can the avid imbiber of culture desire? Thanks to these exhibitions that are now organised almost every year, Delhi no longer partakes of the silence of the tombs with which it is littered in profusion.

It was the then Ministry of Works, Mines and Power which really initiated this practice of commemorating big occasions by holding equally big exhibitions. The occasion of the meeting in Delhi of the World Power Congress, the Congress on Large Dams, and the International Mission on Irrigation & Drainage was marked by this Ministry by holding an International Engineering Exhibition in 1951. This was followed by the Railways commemorating their Centenary by an Exhibition early in 1953; by the Telegraphs celebrating their Centenary by an Exhibition late that year;

by the Ministry of Works, Housing and Supply commemorating the United Nations' Seminar on Housing by organising their International Exhibition on Low Cost Housing in early 1954 and by the Ministry of Communications holding another Exhibition to mark the Postal Centenary late that year. An Exhibition on Handicrafts is envisaged this year and will be followed by a really big Indian Industries Fair in the Winter of 1955. How many of those who have paid their four annas (children half rate, except on Sundays and holidays) to gain entry to the Exhibition grounds, realise the amount of work, planning and organisation that has gone in before the exhibition is formally declared open on the appointed day ?

The first problem—you will not believe it—is pitching on the suitable date. When it is a centenary the matter is comparatively simple. But the trouble arises when, say for instance, you have to fix the dates for the Industries Fair. Will it be the cold or hot weather you ask yourself first. If it is to be the former—as very likely it will be, considering the fact that many exhibitors are coming from abroad—you ask the Ministry of Works, Housing & Supply how many days during January to March in 1954 their Exhibition was held up by rain and how their gate was affected by the weather. You, therefore, decide to advance the dates by a couple of months and run into the month of Diwali. You are holding these preliminary confabulations sometimes early in 1954 and, since the Home Ministry are not in the habit of announcing the next year's holidays so much in advance, it is quite a job to find out on what exact dates in October or November the Diwali will fall in 1955. You then cast around trying to find out whether there is any other Ministry or private organisation which is thinking or has decided to hold some rival attraction during that period. Hotel accommodation in Delhi is very restricted and the capital is overcrowded with visitors, tourists and visiting dignitaries during the cold weather. If you are clever and your exhibition is something really big, you beat them to it and finalise your dates. Clearing the decks of all likely internal trespassers is, however, a job only half done. You have also to make sure that there is no other international industrial exhibition being organised during those dates in any other part of the world. You see how very complicated all this can become, and it is not surprising therefore that the United Nations has now started co-ordinating the holding of international exhibitions throughout the

world. The first prerequisite of holding a successful exhibition, therefore, is to make up your mind, two or even three years before you actually hold it—especially when it is to be of an international character. If you have to cut things fine, a year in advance is the minimum time to declare your intentions, for if you fail to do this, you can think yourself for the poor response from the exhibitors, who being methodical businessmen, want a year's notice to make the necessary annual provision in their budget for the participation in your exhibition. This is equally true of the foreign countries, who want ample notice to get this provision voted in their legislatures.

With the date set, the next assignment is to rush out the Prospectus for the Exhibition. The preparation of this Prospectus is a major headache : rather, it is the sum-total of a number of headaches. The Prospectus must, to start off with, state the site at which the exhibition is to be held. Will it be at the "historic site of the Purana Quila under whose shadows nestles the modern township of Delhi", or will it be the less romantic site behind the Eastern Court on Queensway ? Whatever the site, it will have to be determined by the existence of such services as electricity, sewerage, water-supply, transport and the like. It will also be influenced by the size of the Exhibition that you intend to hold. This leads you to the question of how many stalls you will have built-up, semi-built-up and open. You do not know exactly what the response of the exhibitors is likely to be; if you are an optimist you start off with a liberal estimate, if you are the other, you make a very conservative provision. In either case, the chances are that you will be wrong. Why not wait till all the demands are in, but then this means that your lay-out will never be complete and, without the layout, as you know, no exhibitor will touch your Prospectus. So this leads you to the daily skirmishes with your architect and planner; he trying to translate a pet dream of his into the reality of spacious lawns, bubbling fountains, long sweeping bye-ways and grandiose structures; with you, knowing how much the Finance have reluctantly sanctioned, trying to curb his inspiration at every turn. It is amazing how many small things are often overlooked in drawing up this laying and site plan, but a really good architect and town-planner (and it is worth every time getting hold of a really competent person) should be able to look after all these—the circulation of traffic in the Exhibition

Grounds, the siting of the information bureau and the announcement booth, the location of the first aid posts, the urinals and of the amusement park and a host of other things which we all take for granted.

The Prospectus then proceeds to tell the intending participants how they can apply for space at given rates and how they can bring their wares in for the Exhibition. This involves you in a lot of inter-Ministry references. The Chief Controller of Imports has to be asked to grant import permits to all intending exhibitors, the Central Board of Revenue has to be moved into exempting these exhibits from duty, the Railways have to be persuaded to give one-way freight concession for the movement of the exhibits and the municipal authorities have to be requested to agree to the exemption of these goods from octroi duty. With all these concessions, one would expect the exhibitors to flock in and queue up for space. The exhibitors, are, however, a very exacting lot, so that your prospectus must go on to assure them that they will, in fact, be provided with cheap water and power supply, will have the services at site of a clearing and travelling agent, a post and telegraph office, a scheduled bank, telephone connections and some kind of residential accommodation for their salesmen and executives who accompany the exhibits. It is advisable to mention all these things in the prospectus : what is more important, is to see that these assurances are in fact honoured at the opening of the exhibition.

One does not often realise that there is the legal side to this matter of organising an exhibition. It is best, therefore, to frame a set of rules and regulations, as an appendix to the Prospectus. Slip into these regulations whatever your ingenuity can devise; the matter being in small print and clothed in the mumbo-jumbo of legal phraseology is bound to escape the notice of a number of unwary exhibitors. Above all, think first of the rights that you want to reserve for yourself as the organiser of the exhibition. You must obviously reserve the right of admission to the exhibition to yourself; be the sole arbitrator as to who should be given free passes; lay down the law as to the precautions the exhibitors must take in installing electrical equipment; regulate the display of publicity material and advertisements in the grounds; prescribe the standards of cleanliness that must be maintained; commit the exhibitor to exhibiting his wares at his own risk (this is a clever one); protect yourself against all fire hazards.

and, to cap it all, state that any infringement of the regulations means instant forfeiture of all the money that the exhibitor may have deposited and his instant and unceremonious dismissal from the exhibition grounds. To soften the harshness of these stipulations, you must, of course, intersperse the regulations with such comforting thoughts as giving to the exhibitor the right to display neon signs, facilities for packing, unpacking and storing his goods and a few free admission tickets for his executives who must be on duty during the exhibition hours.

The Prospectus having been printed on fine art paper, complete with the layout, can now be despatched to all those who are likely to be interested in the exhibition. This is quite a strenuous bit of work as one who has done this knows to his cost. You have to consult all the Directories that you can lay your hands on, have to take the Chambers of Commerce into your confidence and have to open up a new relationship with all your trade and diplomatic representatives abroad. It is no easy job to sell space at the Exhibition and to get in the type of exhibitors that you require. A high-powered publicity campaign to 'sell' your exhibition and a good public-relations staff is essential if you have to make the exhibition a success. You contact the Tourist Bureau of the Ministry of Transport and tell them how useful it will be to them to use this exhibition as another bait to coax people into visiting India. 'Ajanta Caves and the Exhibition', you suggest, would be quite an attractive subject for the posters that the Bureau splashes out all over the world in their 'VISIT INDIA' series. (Incidentally you get this much publicity free, if the Transport Ministry do not see through your game.) You then go over to the Air-India International and all the tourist, travel and hotel agencies that you can think of and persuade them that boosting the exhibition through their publicity material, which they generally issue, is bound to be a profitable business for them. The whole idea, you see, is to try and get as much free preliminary publicity as you can for the exhibition. You then bring in, at your expense, your heavy publicity guns and keep blasting away at the subject periodically and in all sorts of unexpected manners. Nothing is more conducive to attracting huge crowds to your exhibition than say a few talks over the All India Radio by someone who has seen (or pretends to have seen) the activity that is going on site in preparation for the opening day. Huge

placards and posters, strategically displayed; a publicity van (if the Deputy Commissioner can be persuaded to let you use it with a loud-speaker), slides in the local cinemas—all these help to bring in the crowd. For the stage having been set and all your preparations made, your main consideration is to see that you live up to the figures that you submitted to the Ministry of Finance as being the expected gate receipts and, on the strength of which, amongst other things, they sanctioned your exhibition. This is really the night-mare which troubles you throughout the exhibition. In desperation, you go over to the ticket-counters and start selling the tickets yourself, as if by doing so, you can induce more money into the cash-box. We are anticipating things a little, for long before you start fretting about the cash-box, there are a few other things which need your undivided attention.

The 'D-Day' is not very long off and every inspection—monthly at the beginning, fortnightly later on, weekly and even daily as the days fly by—makes you more and more convinced that the exhibition can never be opened on the appointed day. The admission tickets have not yet been printed; the main symbol of the Exhibition—the gate, is not yet fabricated; the grass and the flowers have not yet come up; the exhibitors have heard a rumour that the opening of the exhibition will take place a fortnight later and are sleeping over the job of completing their stalls and, some of the prize-exhibits destined for Delhi, have found their way to Avadi. Never again, you swear to yourself and order a double-shift and then three shifts. You order that the plaster be dried by means of electric heaters if the sun refuses to come out any longer; you threaten the executives with dire consequences at one moment and cajole them the next. You warn the exhibitors that they must have their stalls ready three days before the appointed hour so that you can hold a dress-rehearsal of the opening day. You need not have bothered, for the rehearsal is a flop: you have lost your appetite and your nerves threaten to give way within the next few hours. You decide to keep away from the site the next twenty four hours for the sake of retaining your sanity but, when you do appear there on the morning prior to the opening day, you rub your eyes and hardly dare believe what you see. Everything is in order—or almost in order for the 'D-Day'—and your only prayer now is that it should not rain when the President is delivering his inaugural speech.

The reaction sets in after the opening day. The business of running the exhibition, is not without its trials and tribulations; the work of seeing that the shows go on in the open-air theatre which you have built as an added attraction to your exhibition—all these are bagatelle when compared to the herculean effort you have made in order to bring the exhibition into being. You are a veteran now : you have learnt during the past few months that there is no difficulty that you cannot surmount or a problem to which you cannot find an answer. A few white hair and a waist-line considerably reduced are the only marks that the Exhibition has left on you. These, however, lend you a certain dignity which you never had before. Organising an exhibition—there is nothing to it.

## PUBLIC RELATIONS IN TAX ADMINISTRATION

*Dalip Singh*

WHILE the value of good public relations has long since been recognised in Government departments providing basic services to the public, its recognition in tax administration is a recent development. Even from the point of view purely of tax collection it is desirable to avoid friction in any form with tax payers. A proper public relations policy reduces also the social costs of tax administration by ensuring that tax payers are put to the least possible inconvenience.

In this article, I give a brief account of the attempts made by the Taxation Department of the Delhi State to understand tax payers' point of view. Time, money and effort spent in effecting adjustments in working procedures and methods to suit public convenience were more than compensated by an increase in tax revenue.

A good public relations programme in tax administration, demands that the authorities should (1) appreciate fully the difficulties of the public, (2) make a sincere attempt to remove all reasonable grievances, and (3) afford every possible facility which the law permits. That annoyance and ill-feelings of the public can be allayed by fully explaining the position to them was amply demonstrated in the case of the levy of Sales Tax in Delhi. The Bengal Finance (Sales Tax) Act, 1941, has been in force in Delhi since November, 1951. It provides for a single point tax. No tax is payable on sales from one registered dealer to another; it is payable only at the time of sale to the consumer. When the tax was first levied, the Sales Tax Officers refused to grant Dealer's Registration Certificates to *Arhtias* (commission agents) on the ground that the latter were working merely as brokers, had no authority to sell goods and were, therefore, not dealers. The refusal of the Sales Tax Department to give Registration Certificates to *Arhtias* created a panic in the trading community in Delhi which is a big distributing centre and has about 500 to 600 *Arhtias* engaged in various trades, such as, cloth, grocery, general merchandise, etc. The Department called in the representatives of various trades and explained the legal position to

them. It was impressed upon them that the Department was very keen to help them, provided it could be established that an *Arhtia* is a regular dealer as defined in section 2(c) of the aforesaid Act. The traders, however, were not satisfied. They continued to harbour the misgiving that the Department was not giving them a fair dealing. Realizing the seriousness of the situation, the Delhi Sales Tax Department made a genuine effort to find a way out. A ruling of the Punjab High Court was traced according to which a *Pakka Arhtia* who, for a fixed commission, purchases goods with his own money, is responsible to the seller for the price, gets the invoices prepared and goods despatched in his own name, is a regular dealer; while a *Kacha Arhtia* is a mere broker. This ruling was brought to the notice of the dealers and they themselves agreed that *Kacha Arhtias* (brokers) need not be registered and allowed to make purchases tax free.

The importance of a clear interpretation of regulations for the purpose of improving public relations was stressed in another case. According to the Schedule of Exempted Goods, appended to the Bengal Finance (Sales Tax) Act, 1941, as extended to the State of Delhi, 'paper and newsprint' is exempted from sales tax. The Department interpreted the word 'paper' to mean writing and printing paper only and levied tax on all other types of paper. The traders represented that the Department's interpretation was not correct and that all types of paper should be exempted. They were asked to bring a sample each of all varieties of paper available in the market for a check-up. The traders produced 40 different samples and contended that all of them were 'paper'. When it was explained to them that in common usage 'paper' does not cover *Abri* (flint paper), blotting paper, etc., the traders agreed to pay tax on 11 varieties of paper and to withdraw appeals preferred against the levy of tax on these varieties.

The affixation of court-fee stamps on applications for relief presented another interesting case of 'interpretation'. Under the Sales Tax Rules, every application for relief was required to be affixed with a court-fee stamp of one rupee. The Sales Tax Officers were requiring the dealers to affix a court-fee stamp even on applications made by them for refund of money, already sanctioned by an appeal order or revision order. The traders contended that an application for refund was not an application for relief, because the refund had

already been sanctioned as a result of appeal or revision. Finding that there was enough substance in the traders' point of view the Department agreed that no court-fee stamps need be affixed on applications for refunds already sanctioned.

Work procedures which cause inconvenience and annoyance are not infrequently responsible for the lack of effective co-operation on the part of the public. For instance, the sales tax for every quarter has to be paid in the Reserve Bank of India by means of a *chalan*. A received copy of the *chalan* has to be enclosed with the return, which has to be filed with the Sales Tax Officer of the area within one month of the expiry of every quarter. If the copy of the *chalan* is not enclosed with the return, the dealer renders himself liable to penalty or prosecution. The traders complained that while they were depositing the tax in the Reserve Bank in the last week of the month following the close of the quarter, the received copies of the *chalan*s were made available to them some time in the first week of the subsequent month. The result was that they were unable to file the *chalan* along with the return by the prescribed time-limit. Enquiries revealed that the difficulty was genuine and, in fairness, the Department agreed that no penalty need be levied in such cases. This created an appreciable good-will for the Department, and also reduced the number of appeals for remissions of such penalties.

The Sales Tax Act provides for a separate assessment for each quarter of the year, and requires dealers to file fresh returns every quarter. With the enforcement of the Act in Delhi, every dealer had to visit the office four times during a year to present his books of accounts and this meant considerable inconvenience. The Department was not able to check the accounts fully for want of a proper 'Balance Sheet' and 'Profit & Loss Account' which are prepared only after the close of the year. The time-table of tax assessment was, therefore, revised. The assessment in respect of all the four quarters of a financial year is now made only once at the close of the year.

Work procedures in the Registration Department have also been revised to meet public convenience. Documents for registration were earlier being accepted up to 12 noon. As the public was experiencing some difficulty on this account, it was decided to accept documents during the entire period of working hours, i.e. 10 a.m. to 5 p.m. The registration of documents has increased, as also the revenue therefrom.

Provision has also been made for special registration of documents out of turn on payment of a nominal extra fee to enable people from outside Delhi to return home the same day. A proposal has also been made to the Government to authorise the Registrar of Delhi to register documents pertaining to property situated anywhere in India. A booklet giving the scale of fees leviable on registration of various types of documents has as well been published for the guidance of the public. This has greatly facilitated the working of the Registration Department. Previously, in the absence of such a guide the Registration Officer had at times to postpone the registration on account of non-payment of the correct amount of stamp duty and registration fee.

In the Stamps Department also, steps have been taken for quick disposal of cases and expeditious vending of stamps.

The practice of consulting tax payers and of explaining the Department's view point has in several cases resulted in a better compliance with the provisions of law. Under the Excise Rules, no sale of liquor in non-standard sized bottles is permitted. It, however, came to notice that a particular brand of whisky, gin and rum was being sold in bottles of a non-standard size. This sale in non-standard sized bottles was affecting our revenue adversely. The dealers were told to dispose of their stock of such bottles by a set date. They, however, felt that the stock could not be cleared within the prescribed time limit. The matter was re-examined and the dealers were advised either to clear their stock by selling such bottles to restaurants (who are authorised to sell liquor by pegs), or to return it to the distillery or to re-fill the same in standard sized bottles. To this the licencees readily agreed.

When the Sales Tax was enforced, Sales Tax Officers had to issue as many as 13,000 registration certificates. Due to heavy rush of work, some unscrupulous persons managed to obtain registration certificates which entitled them to make tax-free purchases of goods specified therein. They were reported to be making fabulous tax-free purchases on the strength of these certificates. A list of all such unscrupulous persons was circulated among the traders and they were advised to be careful at the time of making tax-free sales to such dealers. This helped a great deal in preserving the business of honest traders and in safeguarding Government revenue.

The Entertainment Tax Department of the Delhi State was receiving frequent complaints of re-sale of cinema tickets at a premium by some unscrupulous persons and the common man had to wait long in a queue. A meeting of the cinema proprietors of Delhi and New Delhi was convened to discuss the matter. The proprietors agreed to open more booking windows at picture houses. The Department has recently made a proposal that profiteering in cinema tickets be made a cognizable offence, so that persons re-selling the tickets at a premium may be brought to book.

The above brief account of the working of the Delhi Taxation Department is a pointer to the need for the application of the principle of human relations in tax administration. The policy of understanding tax payers' point of view is even from a strictly revenue angle extremely desirable. The total revenues of the Delhi State from the Taxation Departments have increased from less than Rs. 3 crores in 1952-53 to nearly Rs. 3½ crores in 1953-54. A large measure of the increase is, I hope, due to our increasing efforts to understand our 'public'.

# INTRODUCTION TO PUBLIC ADMINISTRATION

## A SYNOPSIS

*W. W. Crouch*

### (I) The Role of Administration in New Nation

*Functions of an administrative bureaucracy :*

To implement governmental plans to raise the standard of living and to strengthen the social structure.

To ensure a stable society through enforcement of law and order.

To provide expert knowledge in planning to aid the government of the day to achieve the politically agreed upon objectives.

*The role of the administrative machine in a democratic country with a parliamentary form of government.*

*India's unique situation in having a trained and experienced nucleus of administrators to serve when independence was achieved :*

A central secretariat and other administrative services in existence.

A revenue administration system largely intact and operating.

A police system in existence and continuing to operate.

*Unusual administrative problems faced since independence :*

Loss of a portion of trained and experienced administrative personnel—Withdrawal of British I.C.S. and other personnel—Loss of administrative personnel through partition of the country.

Unusual strains upon society and government resulting from refugee migration and communal disturbances.

Integration of the States with the Indian Union—Establishment of administrative organizations in the former princely states to conform to a national pattern—Integration of administrative organizations in the United States and others.

*Revision of the States :*

Administrative problems involved in creating Andhra from Madras.

Work of the States Reorganization Commission and possible effects of its work upon state administration. The search for a formula for a well balanced state organization.

Extension of Indian administration to transferred French territories.

Extension of certain all-India services as integration of the States with the Indian Union was accomplished.

The huge expansion of governmental programmes requires administrative implementation both at the national and state level after independence—The effort to achieve the welfare state.

The effort to democratise the administrative process :

Parliamentary responsibility through the Ministry.

Efforts to enlist community efforts in the community development and agricultural improvement programmes.

Emphasis placed upon development of local self-government.

*Objectives of an administrative organization in democratic government :*

Efficiency—achieving a degree of perfection in accomplishment and performance.

Responsibility—achieved through proper constitutional channels.

These two objectives should be combined in a concept of service inasmuch as administration exists primarily to serve the people.

*The need in a federal union to achieve a balance between the national interest and the local interest.*

## (II) Levels of Government and Intergovernmental Relations

*The respective places of the levels of government in the governmental and administrative pattern.*

*The Central Government :*

Its constitutional powers and responsibilities.

Functions of national significance : External affairs, defence, coinage, banking control, tariff and customs, posts and telegraphs, railways, civil supplies.

Pre-eminence of the central government in levying and collecting taxes that will yield large revenues.

Grants from the centre for state and local projects.

Role of central government in economic planning and development.

*The State Governments:*

Constitutional relationship of the three classes of States with the centre :

Selection of governors, chief commissioners, and high judiciary by central government and appointment by the President.

Suspension of state legislation that conflicts with central powers.

The Comptroller and Auditor General in relation to the fiscal administration of the States.

Relationship of the all-India services to the State services.

Relationship of States to the centre in police administration.

Functions of the Ministry of Home Affairs in relation to the States.

Position of other central ministries in relation to State administrative bodies,

*Local Governments :*

Legal relationship of local governments to the States :

Rule of law that local governments may only undertake those functions specifically allocated to them by state law.

Role of the Collector and Magistrate in the scheme of administration :

Development of district boards : local functions of the district.

Combined functions of districts as units of central administration and as units of local government. Similar functions of sub-units of the districts.

Efforts to revive rural local self-government; the panchayat movement :

Relations between the Collector and Magistrate and the panchayats.

Policies of state governments towards the panchayats.

Functions assigned to panchayat administration.

Finance of panchayat : functions.

Administrative relationships between the States and municipalities :

State-municipal financial relations : grants, etc.

Central-State-local relations in police administration.

Selection of municipal chief administrators from State and Central services; selection by the state.

Central and State relationships with the municipalities in planning and executing development programmes under the Five Year Plan.

**(III) Organization of Administrative Structure***Central Government administrative structure :*

Ministries (basis of organisation).

The place of the minister in administration.

The Central Secretariat :

The historical background of the secretariat organization in India.

Functions of the secretariat as an institution.

Organization of the secretariat within a ministry.

Relationship of the secretariat to the ministers.

Relationship of the secretariat to the operating administrative units.

Role of certain ministries, i.e.. Finance and Home, in administration and co-ordination of government-wide matters :

Fiscal policy and budgeting.

Establishment work.

Organization and methods work,

Co-ordination of administrative programmes—role of the Cabinet secretariat.

Operating departments affiliated with ministries.

Boards and commissions in the central government :

Types of functions assigned to such administrative bodies:

Boards as co-ordinating bodies (composed chiefly of ex-officio members), e.g. central board for flood control.

Boards to co-ordinate and plan major programmes, e.g. Planning Commission.

Boards for administration. e.g., Railway Board;

Board of Revenue, etc.

Relationships of the boards and commissions to Parliament—legislative control of this type of administration.

Government Corporations :

Types of functions in which corporation organisation is used.

Distinction between a government department and a corporation.

Relationship of corporations to the parliamentary body.

*State governments' administrative structure.*

Ministries :

Executive and administrative role of the chief minister.

Legal and functional bases for organization of ministries.

Role of the Chief Secretary in state administration.

State secretariats, composition and functions.

Operating administrative departments.

The state field services :

Inspection and supervision of field offices.

Relationship of state field services to district organization.

State administration of revenue collection administration.

State development structure.

*Local units' administrative structure :*

District Collector and Magistrate :

Historical basis for these offices and for the district type of organization.

Duties of the Collector and Magistrate.

Lines of responsibility for performance of duties.

District headquarters organization.

Organization and administration of sub-units under the district.

Separation or integration of functions of the executive and judiciary in local administration.

Regional supervisory organization and its relationships with districts,

#### (IV) Theories of Administrative Organization

- (Discussion and examples drawn from Indian, United Kingdom, and United States administrative situations)
- Organization of responsibility and authority according to the hierarchy principle.
- The span of control.
- Organization according to clientele.
- Organization according to function.
- Principle of unity of responsibility and authority.
- Decentralization and delegation of authority and responsibility.
- Integration, both as a process of administration and a concept of administrative organization.
- Co-ordination : methods employed in achieving co-ordination.
- Concepts of staff and line in administrative organization.
- Concepts of the place of informal organization in administrative process.
- Functions of committees, boards and commissions in formal organization.
- The importance of communication in the administrative process and its relationship to the administrative organization.
  - The flow of communications from the bottom to the top.
  - The flow of communications from the top downwards in the organization.

#### (V) Personnel Administration

*Importance of personnel to the operation of administration.*

*Position and functions of the Union Public Service Commission and the state public service commissions :*

- Quasi-independent position : fixed terms of office.
- Advice to government on personnel policy matters.
- Responsibility for recruiting and examining candidates for superior positions.
- Advice regarding selection to inferior posts : inspection of selection.
- Legal responsibility of government to make written statement to the legislative body if commission's advice disregarded or not fully accepted.

*Legal basis for the personnel structure in India :*

Constitutional provisions.

Acts of parliament and state legislatures setting conditions of service.

Ministerial orders laid before Parliament for discussion and scrutiny.

(a) Ministry of Finance orders on pay, leave, etc.

(b) Home Ministry rules regarding personnel administration,

Establishment policies of the Postal Service, Railways, etc.

*Division of the public service into special service groups :*

I.A.S., I.A. & A.S., I.P.S., I.F.S., customs and revenue service, Railways, P. & T., other special services created or proposed (i.e. Economic civil service), Central Secretariat service.

*Recruitment :*

Recruitment for the higher administrative services :

Age limits for recruits.

Educational requirements.

The selection programme and methods employed.

Policies with regard to reserved positions or quotas (scheduled castes, etc.).

Recruitment for the lower echelons of the services.

Methods of determining standards for recruitment and selection.

Relationships between the recruitment policies of the government and the educational and social systems within the country. The focus of student's attention upon achieving government employment.

Recruitment and selection for technical or specialized positions outside of the general services or cadres.

Resources of the country in trained or experienced persons who may be recruited for the newer types of government positions.

Should persons of mature years and public standing be selected directly for certain key administrative posts ?

*Appointment :*

Limitations upon the executive in making appointments from lists forwarded by Public Service Commissions.

Allocation of All-India service candidates to the states.

Selection and appointment to temporary positions.

The general problem of temporary appointments.

The probationary period as a part of the selection and appointment process. Training programmes combined with probationary service.

*Promotions :*

Filling higher positions by promotion, as against direct recruitment. Filling of a portion of middle-level secretariat positions by promotion from the lower echelons.

Methods for determining standards of promotion :

Seniority.

Examinations.

Confidential reports, plus departmental determination.

Selection boards.

What agency or group should have authority to determine selection of individuals for promotion? What are the dilemmas?

What constitutes promotion? What are the prerequisites of higher office?

What should be the maximum level that may be filled by promotion from within the administrative service?

Conflicting theories and claims presented by the generalist groups and subject matter specialists for promotion to high level positions (i.e., the I.A. & A.S. claims to Finance Ministry).

*Training :*

Educational preparation for the public service.

Training of recruits for specific assignment after selection.

Training of I.A.S. recruits; I.A. & A.S. recruits :

Special training schools.

Training in the districts and within the administrative organization.

Training on the job of secretariat and other employees.

Theories of broad generalist training vs. training for specific jobs.

Periodic retraining of employees in in-service programmes.

Training of employees by supervisors and administrative seniors.

*Transfer and rotation of assignments :*

Policy of transfer in the generalist services : problems and advantages.

Transfer between the all-India services and state services —problems and advantages. Use of the deputation of officers for training or special service.

*Compensation :*

Methods of determining rates of compensation. Study commissions and their reports.

Times scale increments to salaries.

Uniformity of central government salaries—recognition of local differences in living costs.

Relation between central government scales and state scales.

Relation between government scales and those of private employment.

Dearness allowances and rising costs.

Policies governing compensation and perquisites for high administrative offices.

Relationship of compensation to classification of positions : comparability of compensation scales.

*Personnel Management :*

“Finding the right man for the right job”—employee utilization.

Direction and custody of personnel records of civil servants.

Employee development: planning of training and assignments to develop employees for greater responsibilities or for special tasks.

*Employee relations :*

Machinery for discussion of employee relations problems between staff and management :

Whitley Councils.

Employee unions and staff associations.

Efforts of government as the employer to provide improved amenities of employment (including sick benefits, provident funds, etc.)

Concepts of effective human relations within management; relationship of those concepts to employee relations in government.

*Retirement :*

Historical concepts of retirement in Indian government services.

Policies controlling age limits of retirement.

Conditions of service encouraging voluntary early retirement.

Financing the retirement of government servants.

Employment of retired officers for policy or advisory assignments.

Problems of training replacements to take over from retiring officers.

*Tenure and protection of the government servant :*

Political neutrality of the civil service.

Protection from abuse of the civil service for partisan purposes.

Prohibition of civil servants taking part in political campaigns.

Methods for protecting the conscientious employee in his job.

Dismissal of civil servants for cause and in accordance with established procedures.

The question of how to protect the civil servant from partisan interference with the conduct of his administrative work : responsible politics as well as responsible administration.

**(VI) Fiscal Administration***Budgeting :*

Budget theory and its constitutional history backgrounds :

Budgeting in responsible, parliamentary government.

Purposes of an annual budget.

Executive and administrative responsibility for budget preparation :

Form of administrative budget estimates.

Functions of the Finance Ministry and the Comptroller and Auditor General in budget preparation.

Capital budgeting : distinction from current expense budgeting.  
Comparative budget practices : the United Kingdom and the U.S.A.

Parliamentary control over the budget :

Cabinet demands and Parliamentary votes.

The consolidated fund and concepts surrounding it.

Supplementary grants.

The concept of the fiscal year.

*Accounting and pre-audit :*

Relationship of accounting to administration.

Pre-audit as a means for ensuring budgetary control : Treasury control.

Administrative organization for accounting : comptroller's organization.

*Auditing and financial responsibility :*

Theories of auditing in relation to administration.

The role of the Comptroller and Auditor General—comparison with officers in other countries.

Functions of the Public Accounts Committee in Parliament—comparison with legislative systems in the U.K. and U.S.A.

System of fiscal control in the states : relation of Comptroller and legislative assembly.

## THINKING BIG

*Paul H. Appleby*

ONCE in a while I am struck here by a cautious and frugal attitude in public planning and public administration which does not reflect sufficient confidence in the future of India.

The most brilliantly successful leaders in business, in universities, and in public life that I have known have been men who were willing to 'build big' in confidence that the future would support their efforts in ways they could not fully anticipate. I should like to see that attitude more often, more variously and widely present here. I think it is justified. I have seen enough here to get great confidence in India's future success.

To illustrate what I am talking about, let me refer to the inclination in the government to be afraid to increase the size of annual recruitment to the I.A.S. and other services. There is a tendency to calculate future needs too much in terms of past experience. There is a fear that the engineers now finding employment in connection with dams and canal construction may not later be needed by the government. On the other hand, when great needs arise a decade hereafter, the Government will not, perhaps, be able to find all the personnel it might require for the execution of its development plans.

With all labour-saving equipment, the Government of the United States, apart from its armed services but including state, county and municipal government, had 6.13 millions of employees in 1951. Excluding persons employed in governmentally financed schools and universities, the total number of employees was 4.44 millions. India had altogether 2.15 millions in comparable employments. Since the population of India is  $2\frac{1}{4}$  times as large as that of the United States, and since India is undertaking through government a good many activities which in the United States are carried on privately, it is safe to say that the number of employees in governments of all levels here will increase enormously in years to come. This increase should be anticipated.

I am not arguing, of course, for an undisciplined unconcern about putting persons on the public payrolls. I am arguing simply for an approach to the subject that will reflect a willingness to let the future cure many of its own problems and a general confidence in the success and growth of the Indian government. This sort of attitude will have a great deal to do in ensuring the rich future that is anticipated.

*(From a talk)*

# O & M IN THE GOVERNMENT OF INDIA

*S. B. Bapat*

SINCE the attainment of independence and the adoption of a constitution which is permeated with the spirit of a Welfare State, there has been increasing awareness in India of the need to ensure that the machinery of public administration is able to subserve the ends of social and economic policy efficiently. Many distinguished authorities have contributed to the thinking on the subject. The First Five Year Plan devotes two special chapters to recommending a programme of administrative reforms. The creation of an Organisation and Methods Division in the Government of India represents an important practical step in the implementation of that programme. It is proposed in this article to give an account as to how the O & M Division approached its task and on what lines it is proceeding.

Not many readers of the journal will need an explanation of what O & M stands for. In simple terms it means paying intelligent and critical attention not only to *what* is done but also to *how* it is done and *at what cost* in time, labour, and money; paying attention to the design of the machine and its working processes and not merely to its end-product. The need for such attention increases rapidly with the increase in size and complexity of any organised effort in any field. In the competitive conditions of military operations and private industry, the risk of defeat and failure operates as a natural stimulus for those in charge to ensure that the design of organisation and methods used are efficient. In civil government and in the non-competitive public enterprise, it is much easier for inefficiency to grow and remain undetected. Governments all over the world, have been allowing things to drift until the efficiency of the administrative machinery fell so low as to cause a public out-cry. Special officers or commissions would then be appointed to examine the causes of inefficiency

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Shri S. B. Bapat has been the Establishment Officer to the Government of India from May 1948 and the Director of the Central O & M Division since its inception.

and to suggest remedies some of which would be put into effect and a temporary improvement achieved. The drift would, however, set in again and the whole cycle would repeat itself. The idea that in the machinery of Government there should be a permanent unit charged with the special function of attending continually to the design of the machine, its working processes and the maintenance of efficiency is comparatively of recent growth. That is the task of the 'Organisation and Methods Divisions' or 'Organisation and Management Offices' which have been set up by the Governments of the U.K. and the U.S.A. during the last few decades. The O & M Division in the Government of India has been conceived broadly in similar terms.

A brief description of the machinery of the Government of India and its working is given in the succeeding paragraphs for the benefit of readers who are not already familiar with it. The business of the Government is split up amongst Ministries, each with a Minister as its responsible political head. At the apex of the official hierarchy in each Ministry stands the Secretary of the Ministry, who is assisted, where the load is heavy, by one or more Joint Secretaries. At its base are the numerous Sections amongst which the work of the Ministry is divided. A Section is under the supervision and control of a Section Officer (Superintendent); two or three Sections form a Branch under a Branch Officer (Under Secretary); two or three Branches make up a Division under a Deputy Secretary who reports either to a Joint Secretary or the Secretary himself. All work from Sections moves up along this hierarchy, the final decision in each case being taken at a level appropriate to its nature and importance. As a general rule the Ministry concerns itself only with the framing of policies and overseeing their execution. The actual implementation of policies is entrusted to executive departments often known as 'Attached Offices', under the charge of officers with designations, such as 'Chief Commissioner', 'Director General', 'Chief Controller', etc. These Officers are commonly referred to as Heads of Departments. In the framing of policy the Minister has the assistance both of the Secretary and the Head of the Department. The business of some of the departments is technical in character and their 'Heads' serve as advisers to the Government within their respective spheres.

Where a question of policy concerns more than one

Ministry, final decisions can only be taken by agreement. If a Ministry dissents and persuasion fails, the matter is placed before the Cabinet. The Ministry of Finance enjoys a special position in this respect and its prior concurrence is necessary before any decision is taken which directly or indirectly involves expenditure of the public revenues. To facilitate consultation on such matters the Finance Ministry is organised into a number of 'expenditure control divisions' attached to the spending Ministries.

Almost until the end of the British rule, Government activities in India were largely confined to the collection of revenue and the maintenance of law and order. After the reforms of 1935-37 the Provinces began to pay more attention to welfare and development matters. The Centre's interest in such matters mostly took the form of grants-in-aid. Up to this time the machinery of the Government of India functioned quite smoothly. Personnel of high calibre were recruited, given a thorough training, and watched and guided in their day to day performance. According to the needs and standards of the day, the Government of India was then justly noted for its efficiency.

The outbreak of the second world war, however, brought about a sudden and great increase in the volume of work. Government stepped into many new and unexplored fields. The existing personnel could no longer cope with the situation. Men had to be found immediately to turn out the additional work. Standards of recruitment were lowered. Standards of training and supervision practically broke down. The end of the war witnessed the assumption by Government of wide responsibilities in fields of welfare and development. Though the character and distribution of work changed to some extent, its volume did not diminish. The quality of personnel and supervision further deteriorated. There developed a general unwillingness to shoulder responsibility and the taking of actual decisions was gradually shifted to the higher levels of hierarchy. These tendencies were further reinforced by the natural desire of the new Ministers, conscious of their responsibility to Parliament, to be consulted or kept informed before the issue of orders even in comparatively unimportant matters. The standard of efficiency was no longer a matter for pride.

This was the situation in which the Central O & M Division came into existence. The establishment of the Divi-

sion was delayed by a dispute among some of the Ministries. Under the then existing allocation of business among Ministries, no specific responsibility was placed on any of them for the efficient functioning of Government as a whole. The general policy regarding recruitment of personnel and determination of their conditions of service (other than those having a financial aspect) was in the sphere of the Ministry of Home Affairs; so also was the responsibility for laying down the procedure for conducting the business of Government. On the other hand, the Finance Ministry had a predominant voice in determining strength of staff and expenditure to be incurred. Though all agreed that some central agency charged with the responsibility for ensuring the efficiency of the Government machinery should be set up, there was no agreement as to where it should be located.

The Ministry of Home Affairs put in a strong claim for the O & M Division on the ground that efficiency was largely a question of the number and quality of men and the way they did their work, and that the Finance Ministry, suffering as they do from the economy complex, would never be able to consider such matters on their intrinsic merits. The Finance Ministry, however, contended that efficiency was not merely a question of how much was done how quickly but also of what it would cost the tax-payer. They also pointed out that the main O & M Organization in the U.K. is located in the Treasury and that India should follow the British example. The Ministry of Home Affairs felt that the two situations were not exactly analogous, as the Treasury in England combined the functions which in India are divided between the Finance Ministry and the 'Establishment and Services' side of the Ministry of Home Affairs. It is a regrettable fact, though illuminating for the student of public administration, that the introduction of O & M in the Government of India was held up for a considerable time because of this jurisdictional dispute. It was eventually decided that the O & M Division should become a part of the Cabinet Secretariat, which functions directly under the Prime Minister and is better placed than any individual Ministry to secure co-operation and compliance from all the Ministries.

The location having been decided, a Director of O & M was appointed to organise 'O & M' work. The first problem which the Director had to face was how the Division should be organised and what working methods it should follow,

One way which suggested itself was to get together a nucleus of persons trained in O & M techniques and to use them individually or in groups for examining and improving the organisation and efficiency of different Ministries over a period of time. This, however, would have been much too slow a process even if enough trained men were available. It was felt that it would be better to devise a system which would spread a simultaneous effort for efficiency over a wide area. In a vast and diversified organisation like that of the Government of India, optimum efficiency cannot be attained or maintained unless each Ministry, Department and operating agency builds up sufficient interest and internal competence to provide its own O & M effort. Though enough men with such competence were not immediately available, potentially suitable officers could be selected and developed by a joint co-operative effort. To begin with, therefore, each Ministry was asked to earmark an officer (preferably of the level of Deputy Secretary) to take charge of its own 'Establishment and O & M' work. It was proposed that these officers should keep in close touch with each other and with the Director of the O & M Division. They would learn the work and techniques of O & M as they went along, forming simultaneously a study group and a 'task force' to carry out a series of progressive and planned operations. Each operation would have definite and limited objectives; but the whole series would not only furnish a training programme in O & M work but also help to achieve a substantial advance in the drive for greater efficiency.

A programme of O & M was framed on these lines in consultation with the various Ministries. As a first step towards its implementation, a group of over 25 officers was formed. A team of another 20 was made up from the Deputy Secretaries of the Expenditure Division of the Finance Ministry. With the subsequent extension of O & M to the larger executive departments, the total number of O & M officers has now risen to 51. Each of them is the head of an O & M cell or unit in his own Ministry or Department and with the full backing of the Secretary or Head of the Department, functions as a watch-dog over its continued efficiency. The O & M officers are encouraged to apply their minds to studying problems of speed and efficiency and to work out their own solutions. The Central O & M Division provides leadership and drive, serves as a forum for exchange of

ideas and experiences at regular periodical meetings and helps to build up a common fund of information and knowledge so that each O & M officer can benefit from the experience of his colleagues.

The Central O & M Division is very small in size. The Director is helped by an officer of the designation of 'Assistant to the Director' who functions as a combination of staff officer and executive assistant. This happens to represent a useful departure from precedent. It has hitherto been customary in the Government of India to assign to every new post a definite status, rank and pay. Though there are obvious advantages from this practice, it does occasionally hamper selection of qualified personnel and also reduces personnel mobility. The post of 'Assistant to the Director' was deliberately conceived as one which could be held either by an officer of Section Officer's rank or by one from the ranks of Under Secretaries, and the person selected receives the same pay as he would in his 'parent' service. The Assistant-to-the-Director acts as the Director's personal representative in dealing with Ministries and their O & M Officers. Although himself of comparatively junior rank in the Secretariat hierarchy, he has found no difficulty in securing access to and co-operation from senior officers in all Ministries and Departments.

For initiating a planned drive for efficiency, each O & M officer was asked to select one 'Section' in his own Ministry, to inspect it thoroughly, and to see for himself how far the existing procedure was being observed and where defects in speed and quality of work lay. Each officer reported his observations to the whole group so as to draw the attention of others to defects which they might have overlooked. This 'group' approach to 'O & M' work produced interesting results. First, it made the O & M Officers conscious of the prevailing inefficiency and the need for determined effort to combat it. Secondly, it showed that the fault, on the whole, lay not so much in the existing organisation and procedures as in the failure to work the existing system properly. It further led to the institution in each Ministry, of a regular programme of inspections.

The O & M officers were also asked to make 'case' studies of at least six files picked up at random from each Section. Movements of papers, speed of work, and quality

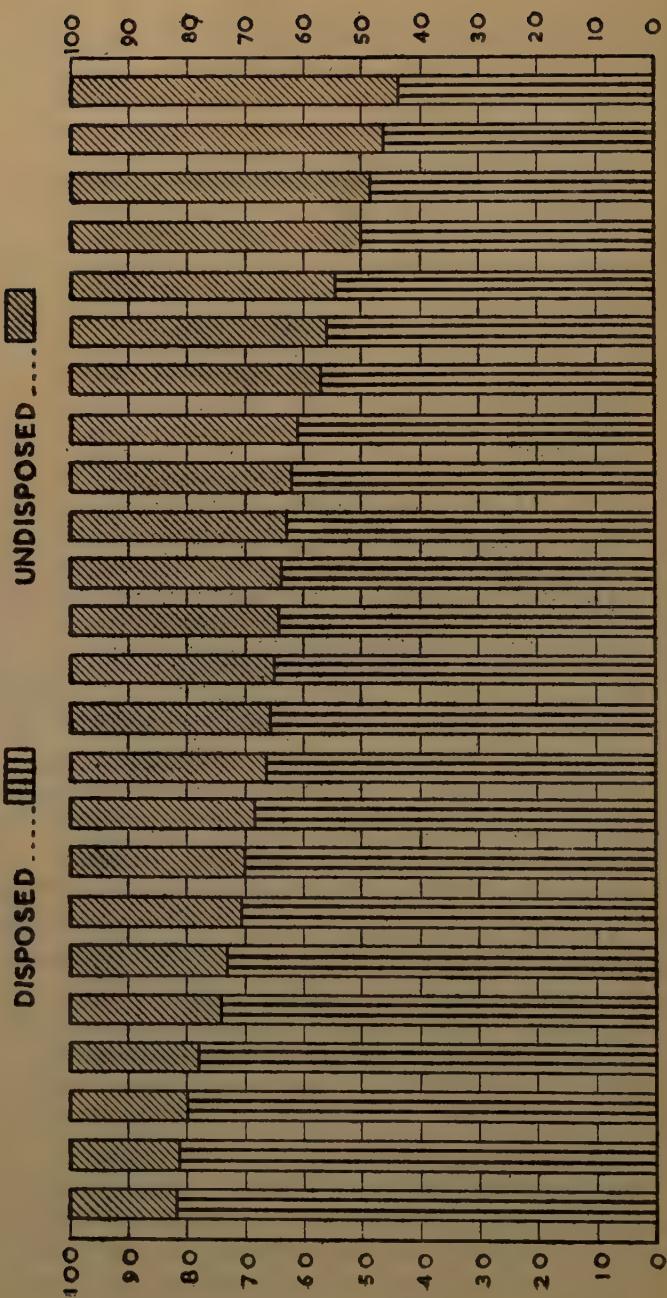
of performance were examined in detail. Particular attention was paid to matters like noting, inter-departmental references and non-observance of procedures, etc. These studies created wide interest and the O & M Division received quite a few requests for the loan of 'case-material'.

The process of inspection and case studies was spread over about three months. It constituted the first phase of the O & M drive. The main objective aimed at in this phase was to shake off apathy and complacency, to create a sense of awareness and urgency, and to spread it over a wide area; and this was adequately achieved.

The next stage covered the creation of a new mechanism to enable the Ministries to secure an objective picture of the speed in disposal of work. Controls were devised for obtaining statistical information regarding the number of 'primary receipts' (*i.e.* original items of work received from outside or originating from within the Ministry) and the time taken in the disposal of each such item. Care was taken to ensure that the maintenance of this statistical information would not in itself cause too heavy a burden on the staff. In practice, the mechanism devised has proved to be astonishingly simple and easy to operate. From August 1954, the central O & M Division has been receiving monthly returns compiled by the O & M Cells in all Ministries and Departments, showing statistics of primary receipts pending at the beginning of each month, received and disposed during the month, and carried over to the succeeding month. Time taken for disposal in terms of 'week-units' is also indicated.

Charts and graphs showing a comparative picture of the speed of disposal attained by the different Ministries in each month and the progress made in successive months, are maintained by the O & M Division for the benefit of O & M Officers. Progress in all Ministries has not been uniform. Where it has been too slow, study teams have been set up to locate weak spots and apply the necessary correctives. Some of the charts and graphs are reproduced here as a part of the article (*vide* pp. 68 & 70-74). Figures 1 and 2 give a comparative picture of the speed of disposal by different Ministries and Departments for the months of Aug. & Dec. 1954. These charts should be interpreted with caution. The work of different Ministries is not of the same nature or complexity, and variations in the speed of disposal are but natural. Even under the most efficient system of organisation the work re-

DISPOSAL OF PRIMARY RECEIPTS IN  
MINISTRIES / DEPARTMENTS.  
PERCENTAGES  
(AUG. 1954)



(FIGURE 1)

ceived during the last few days of the month has generally to be carried over. On the whole, it appears that the Ministries are tending to settle down to a stable rate of out-turn.

For keeping a continuing record of progress achieved by individual Ministries, graphs of the type shown in figures 3, 4, 5 and 6 have been found very useful. The diagonal 'guide-line' at an angle of 45 degrees, indicates the ideal which can only be approached but never fully attained—a state when all work received has been completely disposed of and none is pending. The 'performance-line' shows *total* disposals. In a Ministry where the out-turn is good and the carry-over small, the performance-line would tend to proceed parallel to the guide-line and will not be very far from it (Fig. 3). A performance-line which runs parallel to the guide-line but at a greater distance from it indicates that the out-turn in the Ministry is steady but the proportionate carry-over is greater because the average receipt takes longer for disposal (Fig. 4). In a Ministry where improvement is being effected, the performance-line converges more and more to the guide-line (Fig. 5). Where the performance line veers away from the guide-line, it is a clear warning that efficiency is falling (Fig. 6).

It was found that Ministries which had officers and staff in reasonable numbers, and of good quality, were maintaining a satisfactory speed of disposal. Those with a poor out-turn were either under-staffed, or had inexperienced or untrained personnel. The shortage of numbers is not difficult to make up, but even with the best effort it is not possible to make up rapidly the deficiency in quality.

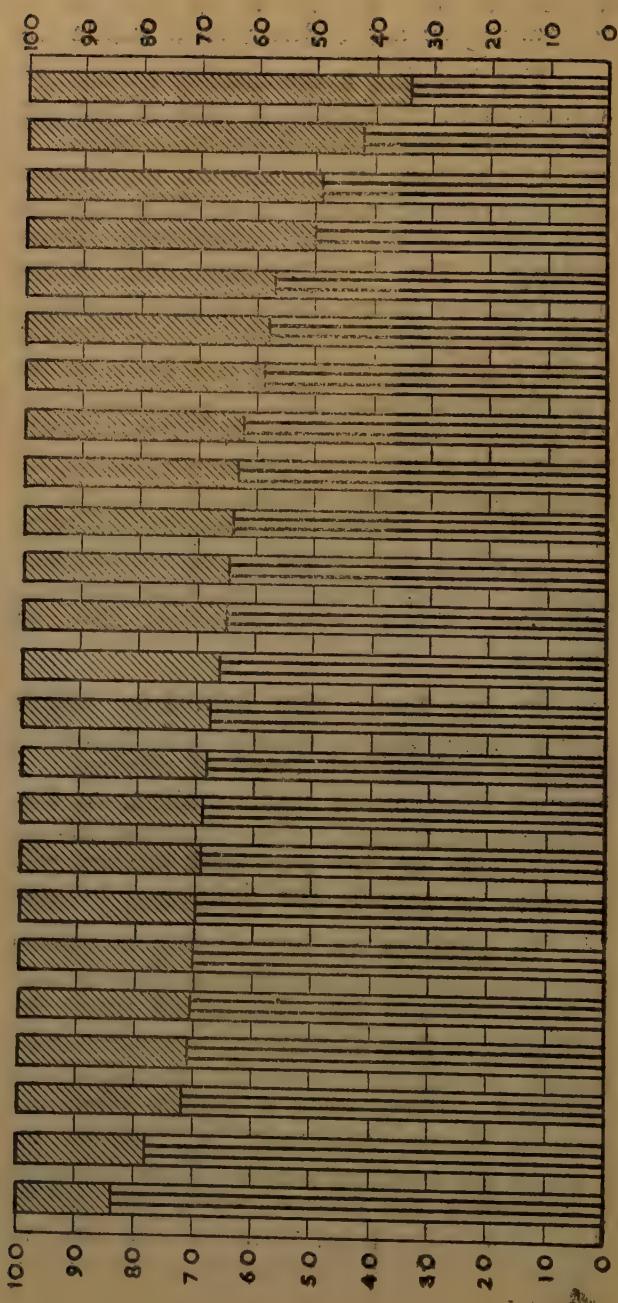
In addition to introducing a system of statistical returns for keeping a watch on the 'speed of disposal', the O & M Division has also called upon the Ministries to re-institute on a firm and effective basis two other 'controls' which, though provided for in the procedure, were being mostly neglected. These are : a weekly check on the out-turn of work by dealing-Assistants in Sections, and a monthly statement of all pending cases. They have proved very helpful in balancing the flow of work and reducing the 'back-log'. They have also been found useful for evaluating individual performances and facilitating a proper appraisal of merit for purposes of promotion.

The O & M Division has also initiated certain organisa-

DISPOSAL OF PRIMARY RECEIPTS IN  
MINISTRIES/DEPARTMENTS.

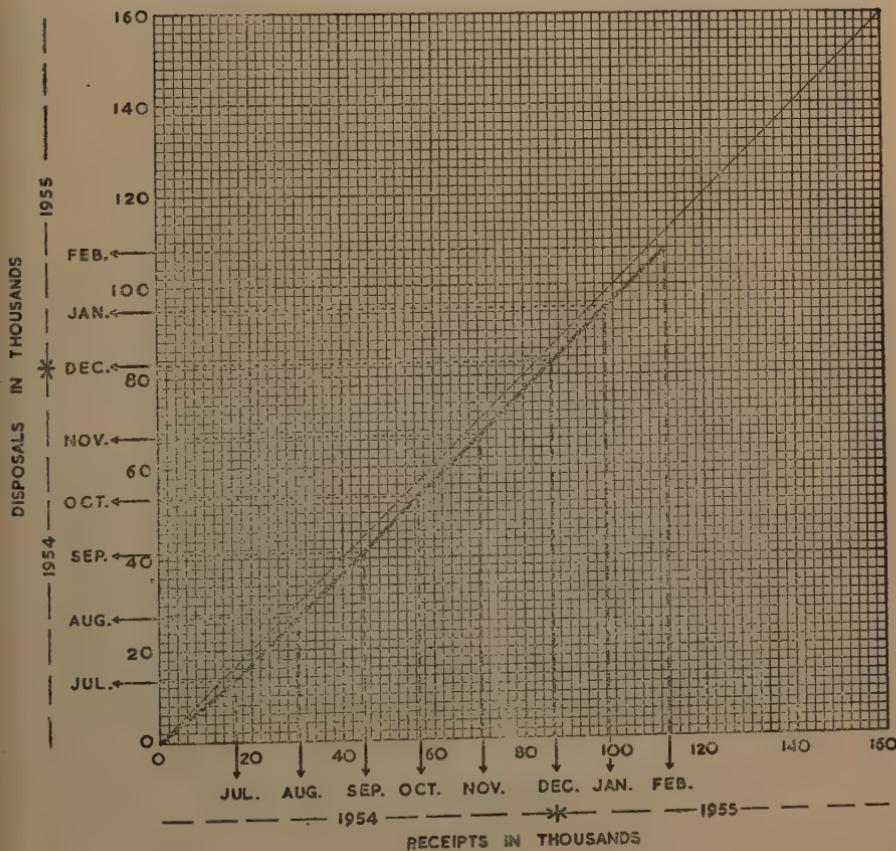
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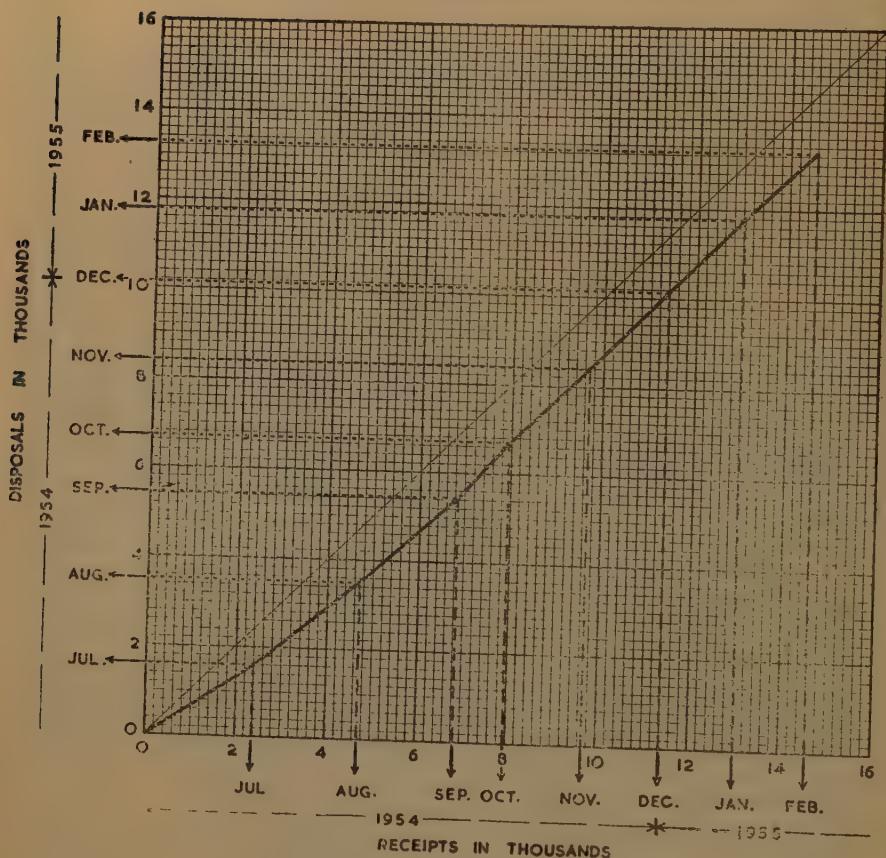
(FIGURE 2)

DISPOSAL OF PRIMARY RECEIPTS IN  
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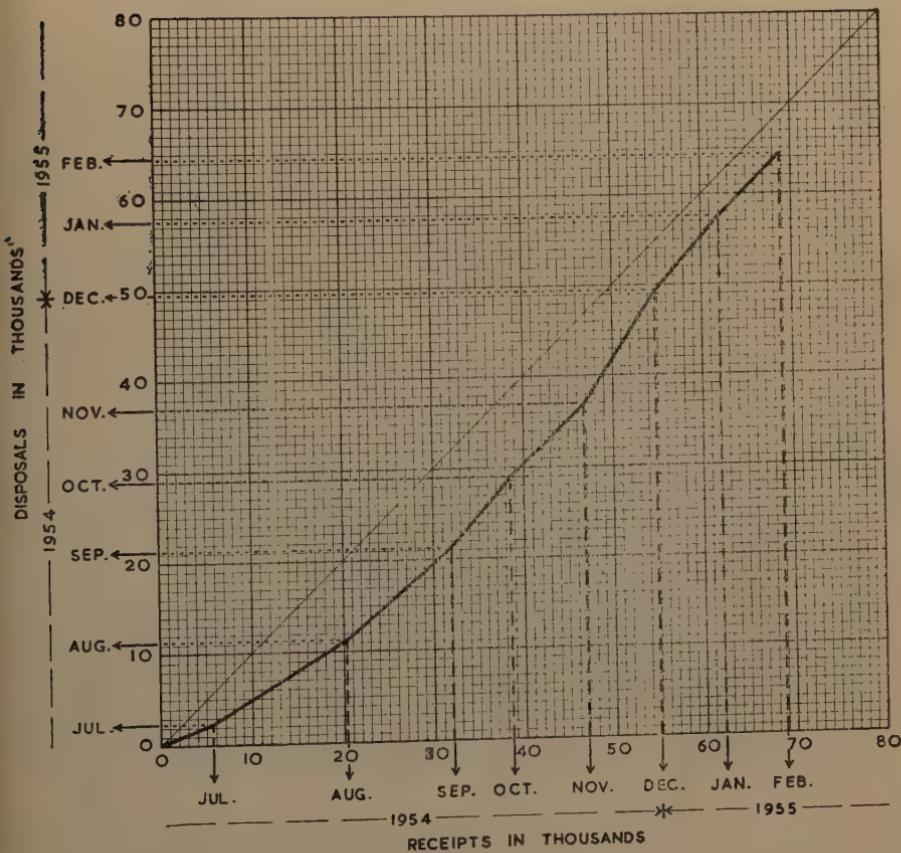
(FIGURE 3)

DISPOSAL OF PRIMARY RECEIPTS IN  
MINISTRIES / DEPARTMENTS.

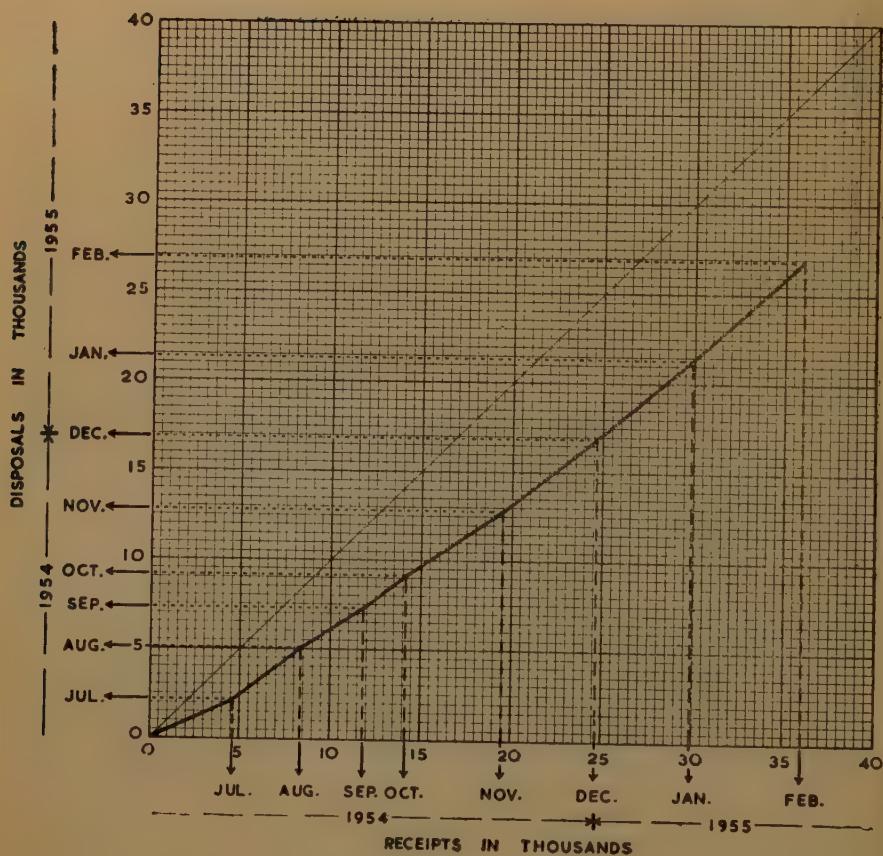


(FIGURE 4)

DISPOSAL OF PRIMARY RECEIPTS IN  
MINISTRIES/DEPARTMENTS.



(FIGURE 5)

DISPOSAL OF PRIMARY RECEIPTS IN  
MINISTRIES/DEPARTMENTS.

(FIGURE 6)

tional and procedural reforms, common to all Ministries. The most important one among them relates to the devolution of more authority on the Section Officer. Experience had shown that the lack of adequate authority at the level of the Section Officer was hampering smooth and efficient work. It meant a high 'back-log', an excessive work-load for branch officers and a poor morale. At the first meeting of the O & M officers, the Director suggested that Section Officers should be allowed more powers for disposing of certain types of work. The proposal did not find much favour and it was decided that the experiment of giving more powers to Section Officers should first be tried only in such Ministries as were prepared to 'take the risk'. The experiment proved strikingly successful and all other Ministries have willingly followed suit. This, it is hoped, is only the first stage in a general process of lowering the 'decision-taking' level which today is too high everywhere.

Red-tapism and delay are not infrequently due to the lack of absence of enough personal contact between officers of the Ministries and the Executive Departments and officers of the Ministries and the Finance Ministry.

Consultations within and between Ministries usually take place by routing files 'with noting and counter-noting'. The O & M Division has greatly stressed the use of 'personal discussion' for avoiding delays in disposing of important matters. The Division follows the same approach for its O & M work. Officers who once experience the advantages of personal discussion, tend to adopt the same method in other cases too. Disposal through 'personal discussion' also promotes a sense of mutual responsibility.

Special study groups have been set up to deal with certain matters of 'common interest'. Some important tasks entrusted to these study groups include determination of the strength of lower division clerks for different types of secretariat sections, arrangements for the supply of liveries to messengers and peons, preparation of designs of office furniture, and problems arising from the 'centralised handling' of all Government printing work.

In the field of procedures the O & M Division has attempted to eliminate unnecessary movement of papers. In the course of its movement up and down the line of hierarchy, it was customary for each file to go back to the section diarist for recording each movement. This step has now

been eliminated at several stages and a considerable saving in time has been effected.

In matters of budgetary and financial control, the O & M Division has done some useful, though limited, work. At the close of 1953, there developed a strong feeling that the existing systems of budgetary and financial control were holding up the progress of the Five Year Plan. Here, the O & M Division played a beneficial role in diverting attention away from assumptions and focussing it on facts. Detailed studies of 12 cases, selected by the Ministries themselves, in which funds allotted for development schemes were about to lapse, were carried out. The result of the studies was quite revealing. It was found that the delay in all these cases was mostly due to inadequate planning and insufficient attention on the part of the Ministries or departments. Little blame, if any, could be apportioned to the Ministry of Finance. These studies further confirmed the common notion that the spending Ministries tended to inflate their demands in the anticipation that the Finance Ministry would cut them down. The Finance Ministry, assuming that demands were always inflated, would use its axe in every case irrespective of the merit. The matter was examined in detail by a committee of senior Secretaries presided over by the Cabinet Secretary and serviced by the Director of O & M. The findings and recommendations of the committee are summarised at the end of the article, in the form of a statement which was circulated in August 1954 by the O & M Division to all the Ministries. Recently, the O & M Division has also been assisting a special committee of the Cabinet established for reviewing the existing arrangements for financial advice and control.

The O & M Division has prepared a revised 'Manual of Office Procedure' for the Government of India. It is at present under print and will come out very shortly. The paragraphs reproduced below from the 'Preface' to the revised 'Manual' will help to give an idea of the 'attitude of mind' which the Division wishes all public servants to cultivate :

- “2. It must never be forgotten, however, that Government is only a means to an end and not an end in itself. The ultimate object of all Government business is to look after the citizens' needs and to further their welfare, and it is of the utmost importance that in its pursuit there should be no

avoidable delay. At the same time, those who are answerable for the conduct of that business have to ensure that just and impartial treatment is meted out to all and that public property and public funds are managed with care and prudence. To show that these matters have not been overlooked, it is necessary in each case to keep a sufficient record not only of what was done but also of why it was so done.

3. The procedure prescribed in this Manual attempts to balance these conflicting considerations of speed and safety. In a dynamic Welfare State that balance can never be rigidly or permanently fixed. Every rule and step in the procedure must serve a definite purpose and stand these tests : Is it necessary ? Is it excessive? Is there no quicker way which would serve the purpose?
4. All those who use this Manual should always maintain a critical attitude to its provisions. All comments and suggestions will be gratefully received and carefully considered."

The O & M in the Government of India is still in its infancy and is at this stage concerned only with the broader aspects of efficiency. It has, however, made a promising start and looks forward to facing the future with confidence.

#### NOTES

*Summary of Findings and Recommendations of the Senior  
Secretaries' Committee on Causes of Delay in Disposal  
of Work in the Central Government*

DEC 14 1959

#### Causes

#### Remedies

#### I—Within Administrative Ministries

#### LIBRARY

(1) Delays in examination of proposals in sections and in passing orders by officers.

Regular inspections, preparation and scrutiny of arrear lists and close attention to removal of delays in movements—to be the responsibility of the Ministry's O & M Unit supported by the Secretary.

(2) Delays in locating previous papers and references.

Secretaries should hold weekly staff meetings of Joint Secretaries, Deputy Secretaries and Under Secretaries for—

(3) Delays in the movement of papers.

(a) formulating broad directions on new cases,

(b) review of progress of old cases, and

(c) general comparing of notes.

Outstanding items should be kept on the agenda till finally disposed of.

In case of important schemes, specially those included in the Five Year Plan, special personal attention should be paid by the Secretary, Joint Secretary or specially designated officer for ensuring that time-table of successive stages is prepared and adhered to.

## II—*Ministry and Attached Offices*

(1) Delays in examination of proposals by Technical Officers in Attached Offices.

(2) Time lost in transmission of papers between Ministries and Attached Offices and within different sections of Attached Offices.

(a) All schemes should be discussed in principle between the Head of the Attached Office and the Secretary/Joint Secretary. Details of schemes should be worked out by joint teams of technical, administrative and finance officers at the lowest appropriate level. Unresolved differences of opinion should be settled by personal reference to higher officers. A time-table should be laid down for preparation and implementation of schemes.

(b) Periodical meetings of senior officers of the Ministry and Attached Offices should be held to review the progress of examination/execution of pending schemes.

(c) Joint team work and personal references will eliminate unnecessary movement of papers between the Ministry and Attached Offices. Where movement is still necessary, O & M unit should work out ways of minimising delay.

## III—*Administrative Ministry and Finance Ministry*

(1) Unwillingness on the part of Finance Ministry to accept schemes in anticipation of approval by Standing Finance Committee (now defunct).

(2) Repeated queries about matters of detail.

(3) Suggestions for reconsideration of proposals on lines generally found un-acceptable to Finance Ministry.

(4) Disinclination on the part of Finance Officers to accept estimates furnished by administrative Ministries.

Finance Officers should be closely and intimately associated with the formulation of schemes and proposals from the very beginning. This will help in bringing about a better understanding and eventually in reaching a stage when Administrative Officers would themselves apply sound financial standards. Finance officers should fully appreciate administrative officers' problems and needs. The strength of Finance officers should be increased, if necessary.

Finance officers should regularly attend weekly meetings.

**IV—Administrative Ministry and other Ministries directly concerned in action programme**

- (1) Inadequate inter-departmental consultation and lack of co-ordination.
- (2) Delays in inter-departmental consultation.

(a) Standing inter-departmental Committees should be set up where consultations are very frequent.

(b) Administrative Ministry should watch progress and not allow its responsibility to get diffused or blurred during process of inter-departmental consultation.

(c) Personal discussions between officers of the Ministries concerned to resolve differences, or to settle points of detail.

**V—Administrative Ministries and other Ministries Bodies consulted on limited aspects**

- (1) Delays in consultation with Law Ministry (e.g. settlement of terms of agreement, bond, etc.).

(a) Maximum use should be made of standardised forms of contracts, agreements, etc.

(b) Ministries whose activities require very frequent consultation with Law Ministry should have whole-time internal legal advisers.

- (2) Delays in consultation with Home Ministry on establishment matters.

Each Ministry should have an Establishment Officer specialising in 'establishment lore' who will keep in close touch with Home Ministry. He should know or personally obtain quick answers to all establishment questions and minimise paper references. Review of matters which now require reference to Home Ministry, e.g. recruitment of peons, promotion of clerks in short-term vacancies, etc.,

- (3) Delays in selection and recruitment of personnel by Union Public Service Commission.

Internal Establishment Officer of every Ministry should maintain close liaison with U.P.S.C. Secretariat. References to U.P.S.C. by correspondence should be minimised and settlement by personal discussions followed by record of agreed conclusions, should be maximised. Possible difficulties and differences of opinion with the Commission should be anticipated. In major matters, the Establishment Officer to the Government of India should be brought in as an intermediary.

**VI—Administrative Ministry and Central and State Public Works Departments**

- (1) Delays in surveying, preparation of plans and estimates and collection of relevant data.

- (2) Slackness on the part of contractors.

(a) In formulating proposals and schemes which are bound to involve construction through or on the advice of the Central or State Public Works Department appropriate P.W.D. officers should be associated from the very beginning with the

(3) Non-availability or delayed supply of building material and machinery.

(4) Delays in inviting, and in consideration and acceptance, of tenders, and in award of work to contractors.

#### VII—*Administrative Ministry and State Governments*

(1) Differences of opinion between Central and State Governments on matters of detail and financial liability.

(2) Delays in submission of formal proposals at Government level.

(3) Delays by the State Governments in taking decisions on suggestions made by Central Government.

#### VIII—*General*

All remedies suggested are fundamentally concerned with the organisation and methods of work. It is, therefore, necessary that each Ministry should have a unit charged with the special responsibility of ensuring that measures to improve speed and quality are put into effect and the staff is properly trained, developed and used to the best advantage. Briefly, this is O & M and establishment work. In the larger Ministries the volume of work will be clearly sufficient to justify the provision of a whole-time officer of Deputy Secretary's rank assisted by adequate staff. In the smaller Ministries the 'O & M and Establishment' Officer may probably be able to look after some other Branch in addition.

team mentioned in item II (c) above.

(b) Existing procedures should be studied in detail to locate causes of delay and to evolve remedies. (Special O & M team may be set up for this purpose with officers from W.H. & S., C.P.W.D., and O & M Division).

#### VII—*Administrative Ministry and State Governments*

In all cases in which State Governments are concerned detailed plans and time-table should be settled by personal discussion between high level officers and where necessary, between Ministers. The agreed plan should itself provide for (a) periodical progress reports, and (b) periodical spot checks by the Central Government Officers.

## EDITORIAL NOTES

WITH this first issue, the *Indian Journal of Public Administration* enters on what we hope will be a long and successful career. The first issue of a new periodical is always the most difficult to produce; but that would only partly explain the delay which has occurred in bringing out this one. The Editor owes and tenders to the members of the Institute his sincere apologies.

**Editorial Policy :** The policy of this journal is to further the objects of the *Indian Institute of Public Administration* of which it is the official organ. It is, therefore, pledged to devote itself to promoting the study of public administration in all its aspects and to providing a common forum for the exchange of information and views among all who are interested in the subject, whether as professionals or amateurs, as academic students or enlightened citizens. All those who wish to utilise this forum, be they members of the Institute or not, are welcome to send in contributions. In the opinion of the Editorial Board, this journal will not be a suitable vehicle for publishing what is merely a summary or paraphrase of material already available in standard textbooks and publications. Contributions based on original thought or on direct observation and experience will obviously be preferred. Particularly welcome will be accounts of new experiments in the field of public administration.

**Our Contributors :** We propose to make it a practice in these notes to give brief background information regarding the contributors whose work appears in each issue. Eminent authorities in the field of public administration, such as Mr. Paul H. Appleby and Prof. W.A. Robson, whose contributions we have been fortunate enough to secure for this issue, are, of course, too well-known to need any introduction to our readers. We are deeply grateful to them.

*Dr. W. W. Crouch* who has also combined academic study and teaching of public administration, with practical experience in the field, is now in India to assist the Institute. His 'synopsis' on the study of Public Administration with special reference to India will remain a contribution of

lasting value for years to come, for all students of public administration.

*Shri Tarlok Singh* is among the most distinguished members of the Indian Civil Service and has been the life and soul of the Planning Commission since its inception.

*Shri Dalip Singh* has spent a life-time in the administration of Income Tax and was specially assigned to organize the Sales Tax Department of the Delhi State Government.

*Shri N. P. Dube* is one of the leading officers of the Central Secretariat Service in the Government of India and is amongst the most energetic of its O & M Officers.

*Shri R. Dwarkadas* has been an earnest academic student of public administration and is now combining his learning with some teaching.

*Prof. D. G. Karve* is a 'veteran' economist and 'philosopher-administrator', and is at present directing the programme evaluation studies of the Planning Commission.

**Acknowledgments :** Our thanks are due to our contributors, the staff of the Institute and the Manager of the New India Press for making it possible for us to bring out this issue.

—*Editor*

## INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

### DIRECTOR'S REPORT

1954-55

*(Abridged)*

#### Inaugural Meeting

The Institute was formally inaugurated on the 29th March, 1954 by Shri Jawaharlal Nehru, the President of the Institute. The meeting opened with an introductory speech by the Chairman of the Executive Council, Shri V.T. Krishnamachari, on the origins and purposes of the Institute. In his inaugural speech, the President underlined the need for keeping the human approach in the forefront in administration. The Director of the Institute, Prof. D.G. Karve, indicated briefly the programme of activities which the Institute proposed to follow.

#### Programme of Work

The Institute's programme of work, as outlined at the inaugural meeting, mainly covers the following :

1. Publication of a journal and of research papers from time to time;
2. Maintenance of a library and a clearing house of information;
3. Conducting research projects and studies in public administration problems;
4. Holding conferences and seminars;
5. Conducting post-graduate study courses and refresher courses; and
6. Assisting in the development of graduate study programmes in public administration at the universities and the establishment of a School of Public Administration.

#### Budget and Finance

The programme of work falls into two well-marked parts. The School of Public Administration and the

activities associated with it are of a special character. It is estimated that in a full year of its working the School's budget would run to Rs. 5 lakhs. The recurring expenditure on other items of the Institute's activities, *e.g.* library, journal, study groups, preparation of literature to help in study and research, regional branches, international affiliation, etc., is expected to grow progressively to about Rs. 4,50,000 by 1956-57. On the non-recurring side, land, buildings, initial library and training, etc., are expected to cost over Rs. 34 lakhs. Thus the total expenditure over the first three years is likely to be about 50 lakhs of rupees.

The Institute's own resources from membership fees are at present approximately Rs. 12,500. While membership is expected to grow in course of time, the income from fees is not likely to be a considerable amount. In view of the great national importance which attaches to the provision of adequate and satisfactory facilities for training in public administration in the context of the major political and economic changes taking place in the country, the Government of India have evinced a keen interest in the activities of the Institute. They have sanctioned a total grant (recurring and non-recurring) of Rs. 7.71 lakhs for the year 1954-55. The grant is made directly by the Finance Ministry to the Institute as an autonomous body, and is subject to the usual conditions of audit and previous sanction. The expenditure of the Institute from 21st January to 31st December, 1954 amounted to Rs. 13,617.

The liberal grant made by the Government of India has considerably eased the financial difficulties of the Institute. But for meeting all the present and prospective obligations of the Institute, further support from State governments and private endowments is necessary. Efforts to obtain such aid are being steadily pursued. The Ford Foundation have agreed to donate a sum of \$ 350,000 over the first three years. The first year's instalment of \$ 166,666 has been received. There is reason to hope that States and other private bodies will take a similar interest in the progress of the Institute, so that its activities may not suffer for the lack of material resources.

### Premises

In October 1954, the Institute's Office was moved to the Sapru House where the Indian Council of World Affairs were good enough to lease a suitable set of rooms for the purpose. For sometime to come this is likely to prove a satisfactory arrangement for housing the office and the library of the Institute. Very soon, however, the Institute will have to move into its own premises so that all its expanding activities can be provided for. With the assistance of the Government of India, a fair-sized and well situated plot of land in the new Indraprastha Estate has been earmarked for the Institute and necessary steps to acquire it are being taken. The building needs of the Institute in respect of the School, and other activities, as also for hostel and residential purposes, are being worked out in detail. The Executive Council has set up a Building Advisory Committee, including representatives of the Government departments concerned, to help the Institute in preparing and carrying out a well-designed and economical plan of construction.

### Regional Branches

Following the adoption of bye-laws for the formation and working of regional branches by the Executive Council, preliminary meetings have been held and initial steps taken in some States to organize such branches. The Council has agreed to give substantial help for the functioning of the branches, provided they represent a fairly large number of members and the State government and university concerned evince interest in their working. In one or two States these conditions seem to have been satisfied and it is expected that regional branches in these will be set up soon.

### School of Public Administration

Broad outlines of a scheme of a School of Public Administration have been approved by the Executive Council. Admission to the general training courses will, as a rule, be on the strength of a qualifying degree and an entrance test. A two-year course will be provided, covering lectures, assignments, seminars and tours. In-service training, orientation courses, and research projects will also be undertaken. As Universities and other educational institutions develop their own courses of general instruction in public administration, the School will increasingly concentrate on specialized study.

and training. Pending the construction of school building, steps are under way to build up a library and to recruit and train key personnel for instructional purposes.

#### Study Groups

With a view to promoting a better understanding of the functioning of important 'service' departments of the State and suggesting promising lines of reform if found necessary, Study Groups from among the interested and experienced members of the Institute are being formed. Two groups—one on the Posts and Telegraphs, and the other on the Customs Department—have already been set up. Experienced officers of the departments—serving as well as retired—have been approached to join the groups. The Postal group will soon start functioning and the other one a little later. The 'Group Studies' will be as simple and practical as possible and completed within three or four months each. It is expected that in due course every member who has developed an interest in or has intimate experience of the working of any part of public administration would be able to help in promoting these studies. In May 1954, a letter (with a prepaid reply card enclosed) was addressed to all members requesting them to indicate their respective fields of interest and experience. Replies were received from about one third of members, and these will be utilized in forming study groups from time to time.

#### Study Material

The source materials, reports, text-books, case histories, etc., bearing on Indian conditions which are needed for adequate and fruitful study of public administration are for the most part lacking. The Executive Council has, therefore, set up a Central Committee of Direction for arranging to have such material prepared with as little delay as possible. The Committee has already selected a list of topics for study and research. Suitable contacts have also been established to secure the necessary material and expert advice.

#### Journal

The Executive Council has appointed Shri S. B. Bapat as the Editor of the quarterly Journal of the Institute. As the full details of the Institute's programme of work and its finances were not fully settled till recently, the first issue of the journal could not be brought out earlier.

### Library

The services of an experienced Librarian and Reference Officer have been secured for the Library of the Institute. In co-operation with other 'professional' agencies in India and outside, bibliographies of books, reports, journals, administration reports, etc., are being prepared. As the Library and Information Service of the Institute are designed to be of direct assistance to students, officers and public men, considerable effort and care are being spent on a systematic planning of this department of the Institute.

### Fellowships

The Institute has formulated a regular programme of fellowships for providing facilities for higher studies and specialized training in public administration. Recommendations have been received from Central and State Government agencies and Universities. Appropriate educational institutions, professional organisations and Government training centres outside India are being contacted. The first batch of the Institute's fellows will soon proceed abroad for higher studies and training.

### Foreign Contacts

The Institute has been recognized as the national centre for India by the International Institute of Administrative Sciences. At the last session of the Council of Administration of the International Institute held at The Hague, the Institute was represented by one of its members, Mr. P.A. Menon, the then India's ambassador in Belgium. The Institute has also accepted the invitation of the International Political Science Association to be its associate member.

Mr. Noel Hall, Principal of the Administrative Training College, Henley-on-Thames, visited the Institute on 23rd October, 1954, and discussed with members present the problem of training in administration.

Sir Paul Sinker, formerly the first Civil Service Commissioner in U.K. and now the Director General of the British Council, addressed an informal gathering of the members of the Institute on 5th March, 1955, on 'Problems of Recruitment and Training of Civil Servants'.

Regular contact is being maintained with important foreign institutes, e.g. the Royal Institute of Public Adminis-

tration, London, and the Public Administration Clearing House, Chicago.

#### **Advice to the Central Government**

At the instance of the Ministry of Education a note on the study of public administration, at the various stages of education was prepared by a special committee set up by the Executive Council and forwarded to Government for suitable action.

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